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# **FACTORS AFFECTING BRAND AWARENESS IN THE ETHIOPIAN LEATHER FOOTWEAR INDUSTRY**

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**A Thesis Submitted in partial fulfillment of the requirements for the  
degree of Masters of Business Administration**

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*October 2014*

*Addis Ababa, Ethiopia*

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**DEPARTMENT OF MANAGEMENT**

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# Declaration

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I, Shemila Jemal, declare that this work entitled “Factors Affecting Brand Awareness in the Ethiopian Leather Footwear Industry” is the outcome of my own effort and has not been presented for a degree in any other university and that all sources of materials used for the study have been dully acknowledged. I have produced it independently except for the guidance and suggestion of the Research Advisor Ato Teshome Bekele. It is offered for the partial fulfillment of the degree of Masters of Arts in Business Administration [MBA]

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# Table of Contents

List of Figures .....	III
List of Tables.....	III
List of Acronyms.....	III
Acknowledgment.....	IV
Abstract .....	V
<b>Chapter One: Introduction .....</b>	<b>1</b>
<b>1.1. Background of the Study .....</b>	<b>1</b>
<b>1.2. Statement of the Problem .....</b>	<b>3</b>
<b>1.3. Research Hypothesis .....</b>	<b>3</b>
<b>1.4. Objective of the Study.....</b>	<b>4</b>
General Objective.....	4
Specific Objectives.....	4
<b>1.5. Significance of the Study.....</b>	<b>4</b>
<b>1.6. Scope of the Study .....</b>	<b>4</b>
<b>1.7. Limitation of the Study .....</b>	<b>5</b>
<b>1.8. Organization of the Study.....</b>	<b>5</b>
<b>Chapter Two: Review of Related Literature .....</b>	<b>6</b>
<b>2.1. Brand and the Role of Brand .....</b>	<b>6</b>
2.1.1. Roles of Brand .....	7
<b>2.2. Brand Awareness.....</b>	<b>8</b>
2.2.1. Brand Awareness and Consumer Decision Making.....	9
2.2.2 Measuring Brand Awareness .....	10

2.2.3. The Value Of Brand Awareness.....	11
2.3. Brand Perception.....	13
2.4. Advertising.....	15
2.5. Perceived Quality .....	18
2.6. Product Innovation .....	20
<b>Chapter Three: Research Methodology .....</b>	<b>22</b>
3.1. Research Design.....	22
3.2. Data Source.....	22
3.3. Method of Data Collection.....	22
3.4. Sampling and Sample Size.....	22
3.5. Data Analysis and Interpretation .....	23
<b>Chapter Four: Data Analysis .....</b>	<b>24</b>
4.1. Background of the Study Area.....	24
4.2. Data Analysis and Discussion.....	26
4.2.1. Description and analysis of data which obtained from customers.....	27
4.2.2. Analysis of data obtained through Interview.....	33
<b>Chapter Five: Conclusion and Recommendation.....</b>	<b>35</b>
5.1. Conclusion.....	35
5.2. Recommendation.....	36
5.3. Future Research .....	36
<b>REFERENCES:.....</b>	<b>37</b>

**APPENDICES**

**Appendix 1: Survey Questionnaire**

**Appendix 2: Interview Questions**

## List of Figures

Figure 2.1: The Value of Brand Awareness .....	11
Figure 2.2: Value of Perceived Quality for the Firm .....	18
Figure 2.3: Determinants of Brand Awareness and their Relation.....	21

## List of Tables

Table 4.1. Production Capacity, Utilization And Products Of Major Shoe Factories.....	25
Table 4.2. Gender And Age Of The Respondents.....	26
Table 4.3. Educational Back Ground And Age Distribution Of Respondents.....	27
Table 4.4 Descriptive Statistics For Dependent Variable.....	28
Table 4.5 Descriptive Statics For Independent Variables.....	29
Table 4.5. Correlation Matrix.....	30
Table 4.6. Multicollinerity Table.....	31
Table 4.7. Model Summary.....	31
Table 4.8. Coefficients.....	32
Table 5.1. Showing The Summary Of Result Related To The Entire Hypotheses.....	36

## List of Acronyms

CSA: Central Statistical Agency

LIDI: Leather Industries Development Institute

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# Abstract

*The main aim of this research was to assess the factors that influence brand awareness in leather footwear industry in Ethiopia. Four determinants: brand perception, advertising, perceived quality and product innovation have been kept in mind while doing this research. The study used both qualitative and quantitative techniques in which 50 respondents from Addis Ababa were included. In this study structured questionnaire for customers identified through convenience sampling and an interview was made to marketing managers of sample five footwear producers engaged both in domestic and international markets. The researcher used person correlation and regression analysis to analyze the data. The result of the study shows that among the four variables brand perception, and perceived quality have a significant positive impact on brand awareness of local leather footwear while advertising and product innovation do not have.*

*Keywords: Brand awareness, leather footwear, perception, advertising, quality and innovation*

# CHAPTER ONE: INTRODUCTION

## 1.1. BACKGROUND OF THE STUDY

Business owners employ varying tactics to increase familiarity on their brand and the ultimate aim is to create awareness about the existence of a given product or service. Brand awareness as one of the fundamental dimension of brand equity is often consider to be a prerequisite of buying decision, as it represent the main factor for including a brand in the consideration set.

Aaker (1996) defines brand awareness as “a consumer’s ability to recognize or recall a brand in a certain product category”; in other words, the brand is called to mind when a consumer thinks about the category. Greater awareness of a brand increases the likelihood that a consumer will consider it.

Brand awareness signifies how aware existing, as well as potential customers are of your business and its products or services. Ultimately, to achieve successful brand awareness requires that your brand is very familiar and is easily recognizable. Brand awareness is crucial to differentiating your product/service from other similar products/services and competitors. Higher rate of brand awareness equates to higher sales and further serves as a superior competitive advantage that prevents competitors from gaining additional market share.

In today’s competitive market achieving strong brand equity is important for success. Brand awareness is the starting point for this brand equity so knowing those factors affecting the awareness level of customers is an important task to achieve strong position in the customer mind.

Brands guide our perception of products. “A brand is a set of mental associations, held by the consumer, which add to the perceived value of a product or service” (Keller, 1998). These associations should be unique (exclusivity), strong (saliency) and positive (desirable).

AS cited in Ayanwale et al (2005) Modern (1991) has an opinion that advertising is used to establish a basic awareness of the product or service in the mind of the potential customer and to build up knowledge about it. According to Kotler (1998) the purpose of advertising is to enhance potential buyers’ responses to the organization and its offering, emphasizing that “it seeks to do this providing information, by channeling desire, and by supplying reasons for preferring a particular organization’s offer. This means that advertising is an inevitable and a necessary tool in creating brand awareness. Nevertheless, to achieve higher levels of brand awareness, which can eventually lead to brand knowledge, the company needs to take actions to advance its advertising activities.

Quality is another reason for consumers to choose the brand. More ever if the consumer image of the brand is high quality they may buy the brand because of the quality image they have (Uggal, 2001; Aaker 1991 in Bornmark et al 2005).

Product innovation affects the brand awareness. Any brands which are recognized and are given more priority in national and international market have innovation in products also. Those brands are more popular and famous in which product innovations are more (Muhammad, et al 2012).

The aim of this study was to explore those factors that affect the customers awareness of local leather footwear brands and answer why local customers does not recognize and recall the domestic product in their purchase decision than the foreign products? With the aim to give recommendation how firms become local market oriented and exploit the local market opportunity by countering the foreign product challenge in the local market.

## **1.2. STATEMENT OF THE PROBLEM**

The leather industry in Ethiopia mainly encompasses the tanning industry which produces hides and skins in different types of products ranging from pickle to finished leather, the footwear industry which also produces different ranges of shoe types including shoe upper, complete shoe for men, ladies and kids, and the leather garments and goods industry which produces leather garment, bags and different kinds of leather articles.

The country's comparative advantage the Leather sector, such as availability of livestock population, cheap labor force, availability of big tanneries (soaking capacity), open access to Europe and U.S, has the potential to make the industry one of the most competitive industries if the existing local and international market opportunities are exploited and utilized in an efficient and effective manner. The foot wear industry includes large and medium scale manufacturers. The large scale manufacturers are more of export oriented the mediums one produce and sale at local market.

The local market of foot wear industry specially retail market in Addis Ababa face a strong competition from foreign products especially from china which produce cheaper, synthetic and stylish design footwear. These products are in comparable with the local ones in quality and other factors that affect the purchase decision of customers. . The question in here is why customers prefer foreign products than domestic once. When consume are aware of the brand at least they consider it in their purchase decision. So effort to create awareness of the brand is important. This research attempt to assess why customers recall and recognize domestic leather footwear than foreign footwear.

## **1.3. RESEARCH HYPOTHESIS**

H1: Brand perception has a significant positive influence on brand awareness.

H2: Advertising has a significant positive influence on Brand awareness

H3: Product perceived quality has a significant positive influence on brand awareness.

H4: Product innovation has a significant positive influence on brand awareness

## **1.4. OBJECTIVE OF THE STUDY**

### **General Objective**

The main objective of the study is to assess consumers' awareness of local leather footwear brands in Ethiopia

### **Specific objectives**

- To identify the factor that influences the brand awareness in leather footwear.
- To identify the most important factor influencing the brand awareness in leather footwear industry.
- To measure the relationship between independent variables which are consumer perception, product innovation, perceived quality and company advertising activity with dependent variable which is brand awareness.

## **1.5. SIGNIFICANCE OF THE STUDY**

The study has the following importance for both the researcher and those using it:

- It provides information for firms on factors which affect their brand awareness and how they affect them and help them to take action.
- It provides an initial ground for them to make further marketing research on brand related issues.
- It helps the customer to get information on the current performance of local leather footwear industry.
- It will be a source of information for policy maker in the sector. It can motivate other researchers to give time and study this sector of the economy and others.

## **1.6. SCOPE OF THE STUDY**

The scope of the study is limited to assessment of brand awareness in leather footwear produced in the domestic industry. For the study the investigator will address 5 firms from the formal sector who operate both locally and in foreign market and also sample 80 customers from Addis Ababa in which the firms' main target market in their local operation .

## **1.7. LIMITATION OF THE STUDY**

There were certain constraints of the study, the major limitation were time and the other one is lack of cooperation of respondent and their willingness to participate in the study

## **1.8. ORGANIZATION OF THE STUDY**

The study organized in five parts. The first part is all about research proposal which include an introduction, statement of the problem and research hypothesis, the aim of the study, significance of the study and the scope. The second part is all about review the literature related to the area of the study and the third part include the research methodology that include the sampling, sample size, method of data collection and analysis. The fourth is about data analysis and discussion. The final part is about conclusion and recommendation

# CHAPTER TWO: REVIEW OF RELATED LITERATURE

## 2.1. BRAND AND THE ROLE OF BRAND

The American Marketing Association defines brand as “a name, term, sign, symbol, or design, or a combination of them, intended to identify the goods or services of one seller or group of sellers and to differentiate them from those of competitors”. Thus brand is a distinguishing name and/or symbol (such as a 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.

According to Kotler and Keller (2012: p 241) these differences may be functional, rational, or tangible—related to product performance of the brand. They may also be more symbolic, emotional, or intangible—related to what the brand represents or means in a more abstract sense. Supporting Kotler and Keller's view of a brand linking it to the tangibles of the brand, Rosetti (2005) in Lombard (2007) suggested in a presentation that a *brand* is a name, term, sign, symbol, design or a combination of them, intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of the competition. A brand is therefore a product, but one that adds other dimensions that differentiate it in some way from other products designed to satisfy the same need.

Nandan (2004:1) in Lombard (2007) elaborates on the intangibles aspects of a brand, namely that brands are intangible assets that can build shareholder value. A *brand* is an asset that has no physical existence and the value of which cannot be determined exactly unless it becomes the subject of a specific business transaction of sale or acquisition.

By supporting the idea of Kotler and Keller Copley (2004:109) states that brands are basic products but with tangible and intangible attributes.

According to Keller (2003:3), the key to creating a brand is to be able to choose a name, logo, symbol, package design or other attributes that identify a product and distinguish it from others. The different elements of a brand that identify and differentiate it can be called brand elements

In conclusion there is a consensus that brand includes both tangible and intangible elements that intended to identify one seller from the other in which customers base their decision.

*Brands* and *branding* are often used as interchangeable concepts. According to Kotler and Keller (2006:275), a *brand* +is a perceptual entity that is rooted in reality but reflects perceptions of consumer *Branding* is endowing products and services with brand equity and is about creating differences among other brands. *Branding* involves

creating mental structures by helping consumers organize their knowledge about products in a way that clarifies their decision-making and providing value to the organization

### **2.1.1. Roles of Brand**

Brands are valuable intangible assets that play different roles from the customers and firm's side and need to be managed carefully.

#### **Roles of brands from a consumer's point of view**

Brands identify the source or maker of a product and allow consumers—either individuals or organizations—to assign responsibility for its performance to a particular manufacturer or distributor (Kotler and Keller, 2012:p242).

Consumers may evaluate the identical product differently depending on how it is branded. They learn about brands through past experiences with the product and its marketing program, finding out which brands satisfy their needs and which do not. As consumers' lives become more complicated, rushed, and time-starved, a brand's ability to simplify decision making and reduce risk becomes invaluable.

Brand serve as a symbolic devices by allowing customers to project their self-image. A brand can also serve as a means of self-image since no brand is neutral, its purchase says something about the purchaser's vision of himself or herself.

#### **Roles of brands from a firm's point of view**

Brands also perform valuable functions for firm, According to Kotler and Keller (2012:p242) brand simplify product handling or tracing. Brands help to organize inventory and accounting records and also offer the firm legal protection for unique features or aspects of the product. Creates a *differential advantage* which can lead to a strong competitive advantage which in turn can lead to customer loyalty. It also allows for *premium pricing*. When brand equity has been created, it can result in a pricing advantage.

The key to branding is that consumers perceive differences among brands in a product category .The most important assets of any business are *intangible* — including its base of loyal customers, brands, symbols & slogans — and the brand's underlying image, personality, identity, attitudes, familiarity, associations and name awareness.

These assets — along with patents, trademarks, and channel relationships — comprise brand equity, and are a primary source of competitive advantage and future earnings (David Aaker, 1991; Neal & Strauss, (2008) in Subhani and Osman (2009).

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, 1998 in Ghodeswar (2008)).

If a brand provides good service over many years of regular use, it acquires added values of familiarity and proven reliability. The added values can come for example, from experience of using the brand, e.g., familiarity, reliability, risk reduction and character; from the kind of people who use the brand, e.g., rich and snobbish, young and glamorous; from a belief that the brand is effective, e.g., promised satisfaction and delivered uniform and consistent quality; from the appearance of the brand, which is one of the prime functions of packaging; and from a manufacturer's name and reputation. (Bradley 1995, 517–519; de Chernatony – McDonald 1992, 18–19; Doyle 1998, 169–170; Jones 1986, 30–31 in Tuominen 1999).

Kotler and Keller (2006:275) are of the opinion that the world's strongest brands share the following 10 attributes:

- The brand excels at delivering the benefit consumers truly desire.
- The brand stays relevant.
- The pricing strategy is based on consumer perceptions of value.
- The brand is properly positioned.
- The brand is consistent.
- The brand portfolio and hierarchy make sense.
- The brand makes use of and co-ordinates a full repertoire of marketing activities to build equity.
- The brand managers understand what the brand means to the consumers.
- The brand gives proper, sustained support.
- The company monitors sources of brand equity.

## **2.2. BRAND AWARENESS**

Brand awareness is the ability of a potential buyer to recognize or recall that a brand is a member of a certain product category (Aaker 1991 p 57). It is related to the strength of the brand node or trace in memory, as reflected by consumers' ability to identify the brand under different conditions (Rossiter and Percy 1987 in Keller 2002).

Kotler and Keller (2006:286) also support the above ideas and define *brand awareness* as the consumers' ability to identify the brand under different conditions as reflected by their brand recognition and recall performance. Brand awareness levels, measures whether consumers know about and are familiar with a company, organization, product, or service. Brand awareness consists of brand recognition and recall performance. Brand recognition is related to consumers' ability to confirm prior exposure to the brand when given the name as a cue.

According to Keller (2002), to what extent consumers can correctly discriminate the brand, as having previously seen or heard is the key to build brand recognition. For this purpose, repetition of the exposure is necessary. The more the exposure the customer receives, the more the familiarity of the brand occurs. However, in order to be successful in the stage of exposure, the attention of the consumer is essential.

Brand recall relates to consumers, ability to retrieve the brand when given the product category, the needs fulfilled by the category, or some other type of probe or a cue (Dolak, 2003 in Hamid et al 2012). *Recall* is the process of bringing something back from the memory.

Building brand awareness means ensuring that customers understand the product or service category in which the brand competes and it means creating clear links to products or services sold under the brand name. At a broader level, it means making sure customers know which of their needs the brand is designed to satisfy.

### **2.2.1. Brand awareness and consumer decision making**

For a consumer to buy a brand they must first be made aware of it. Brand attitude cannot be formed, and intention to buy cannot occur unless brand awareness has occurred (Rossiter & Percy 1987; Rossiter et al. 1991 in Macdonald and Sharp 2003).

According to Keller (1993) Brand awareness plays an important role in consumer decision making for three major reasons.

First, it is important that consumers think of the brand when they think about the product category. Brand awareness is essential in buying decision-making as it is important that consumers recall the brand in the context of a given specific product category, awareness increasing the probability that the brand will be a member of the consideration set.

Raising brand awareness increases the likelihood that the brand will be a member of the consideration set (Baker et al. 1986; Nedungadi 1990 in Keller 1993)), the handful of brands that receive serious consideration for purchase.

Second, brand awareness can affect decisions about brands in the consideration set, even if there are essentially no other brand associations. For example, consumers have been shown to adopt a decision rule to buy only familiar, well-established brands (Jacoby, Syzabillo, and Busato-Schach 1977; Roselius 1971 in Keller 1998).

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 (Bettman and Park 1980; Hoyer and Brown 1990; Park and Lessig 1981 in Keller 1993). The elaboration likelihood model (Petty and Cacioppo 1986 in Keller 1993) suggests that consumers may base choices on brand awareness considerations when they have low involvement, which could result from either a lack of consumer motivation (i.e., consumers do not care about the product or service) or a lack of consumer ability (i.e., consumers do not know anything else about the brands). So awareness also affects decisions about brands in the consideration set, even in the absence of any brand associations in consumers' minds. In low involvement decision settings, a minimum level of brand awareness may be sufficient for the choice to be final.

Finally, brand awareness affects consumer decision making by influencing the formation and strength of brand associations in the brand image.

Therefore a brand that has some level of brand awareness is far more likely to be considered, and therefore chosen, than brands which the consumer is unaware of.

Brand awareness is a process from where the brand is just known to a level when the consumers have put the brand on a higher rank; the brand has become the "top of mind" (Aaker, 1991)..

Organizations can generate brand awareness by, firstly having a broad sales base, and secondly becoming skilled at operating outside the normal media channels (Aaker, 1996).

### 2.2.2 Measuring brand awareness

Brand awareness is measured according to the different ways in which consumers remember a brand, which may include brand recognition, brand recall, top of the mind brand and dominant brand (Aaker, 1996).

- **Brand recognition:** It related to consumers' ability to confirm prior exposure to that brand when given the brand a cue. It requires that consumers can correctly discriminate the brand as having been previously seen or heard. . Brand recognition is the minimal level of brand awareness. It is based upon an aided recall test. Brand recognition is particularly important when a buyer chooses a brand at the point of purchase.

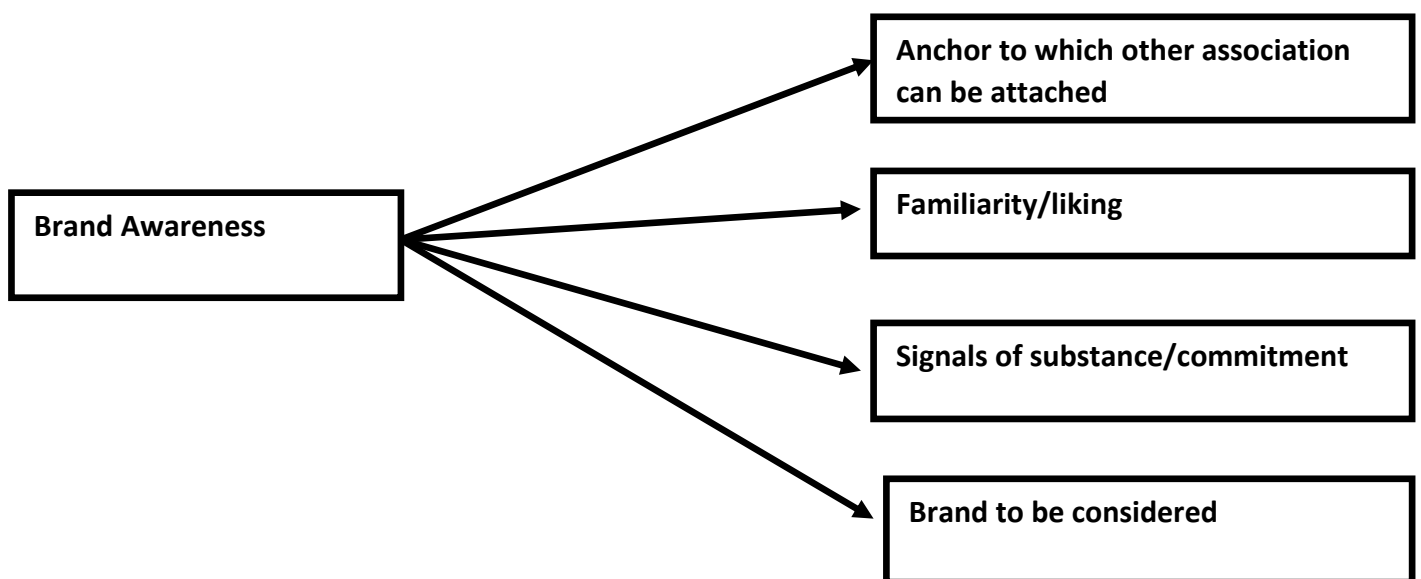
- **Brand recall:** Brand recall relates to consumers' aptitude to retrieve the brand from memory given the product category, the needs fulfilled by the category or a purchase or usage situation as a cue. It requires consumers to correctly generate the brand from memory when given a relevant cue. Brand recall is based on unaided recall, which is a substantially more difficult task than recognition.
- **Top-of-mind brand:** This is the brand name that first comes to mind when a consumer is presented with the name of a product classification.
- **Dominant Brand:** The ultimate awareness level is brand name dominance, where in a recall task; most consumers can only provide the name of a single brand.

Therefore the challenge facing the marketers is to build awareness and presence both economically and efficiently (Aaker, 1996).

Brand awareness can be characterized according to depth and breadth. The depth of brand awareness concerns the likelihood that a brand element will come to mind and the ease with which it does so.

A brand that can be easily recalled has a deeper level of brand awareness than one that only can be recognized. The breath of brand awareness concerns the range of purchase and usage situations where the brand element comes to mind. The breadth of brand awareness depends to a large extent on the organization of brand and product knowledge in memory. (Keller 1998, in Tuominen 1999)

### 2.2.3. The value of brand awareness



*Figure 2.1 The value of brand awareness*

*Source : Aaker (1991)*

According to Aaker (1991) brand awareness creates value in at least four ways as Figure 1, suggests.

1. Anchor to which other associations can be attached

Brand recognition is the basic first step in the communication task. It usually is wasteful to attempt to communicate brand attributes until a name is established with which to associate the attributes. A name is like a special file folder in the mind which can be filled with name related facts and feelings. Without such a file readily accessible in memory, the facts and feelings become misfiled, and cannot be readily accessed when needed.

2. Familiarity/liking

Recognition provides the brand with a sense of familiarity—and people like the familiar. Especially for low-involvement products like soap, chewing gum, paper towels, sugar, disposable pens, or facial tissues, familiarity can sometimes drive the buying decision. In the absence of motivation to engage in attribute evaluation, familiarity may be enough.

3. Substance/ commitment

Name awareness can be a signal of presence, commitment, and substance, attributes which can be very important even to industrial buyers of big-ticket items, and consumer buyers of durables.

The logic is that if a name is recognized, there must be a reason—such as:

- The firm has advertised extensively.
- The firm has been in the business for a long time.
- The firm is widely distributed.
- The brand is successful—others use it.

These suppositions are not necessarily based upon knowledge of specific facts about the brand.

Even if a person has not been exposed to advertising and knows little about the firm, brand awareness could still lead to the assumptions that the firm is substantial and backs the brand with advertising. If a brand is completely unknown before it was put forth as a choice alternative, there is a suspicion that it is not substantial with a committed firm behind it. Sometimes, even in the case of large and involved purchase decisions, brand familiarity and perceptions of substance associated with brand awareness can make all the difference.

#### 4. Brands to Consider

The first step in the buying process often is to select a group of brands to consider—a consideration set. In selecting an advertising agency, a car to test-drive, or a computer system to evaluate, for example, three or four alternatives might be considered. The buyer probably will not be exposed to many brand names during the process, except by happenstance.

The first firms that come to mind will have an advantage. A firm which lacks recall may not even hear about the opportunity.

Aaker argued that brand awareness can provide a host of competitive advantages for the marketer. These include the following (Aaker, 1996 in Subhani and Osman 2009):

- Brand awareness renders the brand with a sense of familiarity.
- Name awareness can be a sign of presence, commitment and substance.
- The salience of a brand will decide if it is recalled at a key time in the purchasing process.
- Brand awareness is an asset that can be inordinately durable and thus sustainable.

It may be extremely difficult to dislodge a brand that had achieved a dominant awareness level (Aaker, 1996 in Subhani and Osman 2009). Brand awareness is vitally important for all brands but high brand awareness without an understanding of what sets one apart from the competition does one virtually no good (pp. 174)

In practice companies use aided and unaided awareness, image and branding marketing research studies to determine the extent to which consumers are familiar and positive opinions about their products or services. In many industries, companies with the highest awareness levels also control the largest market share

### **2.3. BRAND PERCEPTION**

Brand can be defined as “a name, usually a trademark of a product or manufacturer or the product identified by this name” (MSN Encarta dictionary). A strong brand is the key to beneficial business, but only if we know how to distribute the right brand perception to the customer.

Kotler and Keller (2006:185) explain that perception is the process by which an individual selects, organizes and interprets information inputs to create a meaningful picture of the world. Perception not only depends on physical stimuli but also stimuli related to the surrounding field and conditions within the individual. Therefore, perception can vary among individuals exposed to the same reality. Kotler (2005) defined perception as the process by which information is received, selected, organized and interpreted by an individual.

According to Copley (2004:54 in Lombard 2007), *perception* is an individual process. It depends on internal factors such as a person's beliefs, experiences, needs, moods and expectations. The perceptual process is also influenced by the characteristics of the stimuli and the context in which it is seen or heard. The way a consumer perceives stimuli depends on how it is received, selected and organized.

Perceived value has been defined as ~~the~~ consumer's overall assessment of the utility of a product based on perceptions of what is received and what it given (Zenithal, 1988 in Marisa Lim et al 2010:44 ). Consumer perceived value, which is a subjective concept that is built through the interaction between the consumer and an offer of a given context (Holbrook, 1999 in Marisa Lim et al 2010: 44). Engel et al., (1995) as cited in Marisa Lim (2010: 44) views that it depends on a lot of parameters: product features, consumer knowledge, consumer functional expectations

. Danaher, Wilson and Davis, (2003) as cited in Hamid et al (2012) argues that brand give perception to consumer about the consumption benefit of the product. According to Bass, Givon, Kalwani, Reibstein and Wright (1984) as cited in Hamid et al (2012) brand switching take place because of change in brand preference or in attitude and change in consumer Perception. The consumer uses perceived attributes in the decision-making process (Puth et al., 1999 in Marisa Lim et al 2010:44).

Some of the factors that influence consumer perceptions of a brand include:

- **Quality:** this is one of the factors which consumers take into account when making their choice of brand. According to Uggla (2001) as cited in Hamid et al (2012 , quality is an integrals part of brand identity.
- **Price:** McDonald and Sharp (2000) stated that price can be used as a reason for brand choice in two ways; either by going for the lowest price in order to escape financial risk or the highest price in order to achieve product quality.
- **Influence by others:** according to Kotler et al (1999), influence by others plays a vital role in consumer's decision processes. Consumers have the habit of consulting each other regarding a new product or brand and seeking their advice. The advices of other people have a strong effect on consumers buying behaviour. However, the degree of such affect depends on the situation or individual. Later adapters tend to be more influenced than early adapters. Influence by others cannot be sharpened by marketers. A buyer can also be influence culturally i.e. value, behaviour and preferences from family or other institution or socially i.e. by a small group like family or membership group. Purchase decision could also be influenced by attitude of others. For example, a consumer wants to buy MacLean, while in the shop he or she comes in

contact with a friend who says Colgate makes my teeth brighter and whiter. The consumer can be forced to buy Colgate.

- **Packaging:** this is the process of designing the cover of a brand/product. According to Kotler et al (1991), packaging is a form of advertisement in the sense that it sales duties such as attracting consumers, describing and selling the product.
- **Convenience:** according to Lin and Chang (2003), convenience of a brand has a significant effect on consumer. In other word, easy access to brand/product in store is vital when buying low involvement product.

Brand perception in this study conceptualized as the process by which an individual selects, organizes and interprets information inputs to create a meaningful picture of a brand

This research proposed the following

***H1: Consumer brand perception has a significant positive influence on brand awareness***

## **2.4. ADVERTISING**

The impact of advertising to the overall marketing program is evidenced in two ways. First, business suppliers need to constantly remind potential buyers of their products, or need to make them aware of the company's new products and services. Second, advertising may make the selling efforts more effective (Hutt and Speh, 2004, p. 412 in Joknovic 2005).

Advertising can be defined in different ways some of this are

Dunn et al. (1978) as cited in Ayanwale et al (2005) define advertising as a paid, non-personal communication through various media by business firms, non-profit organization, and individuals who are in some way identified in the advertising message and who hope to inform or persuade members of a particular audience. Advertising is a paid, mediated form of communication from an identifiable source, designed to persuade the receiver to take some action, now or in the future (A. Shimp 2007:240)

Davies (1998) as cited in Ayanwale et al (2005) states that –advertising is any paid form of non-personal media presentation promoting ideas/concepts, goods or services by an identified sponsor. Arens (1996) expressing almost the same view describes advertising as –the personal communication of information usually paid for and usually persuasive in nature about products, goods and services) or ideas by identified sponsors through various media”.

From the above definition we understand that Advertising is a one form of marketing communication intended to persuade an audience (viewers, readers or listeners) to purchase or take some action upon

products, ideas, or services presently or in the future. It includes the name of a product or service and how that product or service could benefit the consumer, to persuade a target market to purchase or to consume that particular brand. These messages are usually paid for by sponsors and viewed via various media this is what make advertising differ from other marketing communication. Advertising can also serve to communicate an idea to a large number of people in an attempt to convince them to take a certain action.

According to A. Shimp (2007:246) advertising perform five critical communications functions: (1) informing, (2) influencing, (3) reminding and increasing salience, (4) adding value, and (5) assisting other company efforts.

#### 1. Informing

One of advertising's most important functions is to publicize brands. That is, advertising makes consumers aware of new brands, educates them about a brand's distinct features and benefits, and facilitates the creation of positive brand images. It facilitates the introduction of new brands and increases demand for existing brands, largely by increasing consumers' top-of-mind awareness (TOMA) for established brands in mature product categories.

#### 2. Influencing

Effective advertising influences prospective customers to try advertised products and services. Sometimes advertising influences *primary demand*—that is, creating demand for an entire product category. More frequently, advertising attempts to build *secondary demand*, the demand for a company's brand.

#### 3. Reminding and increasing salience

Advertising keeps a company's brand fresh in the consumer's memory. When a need arises that is related to the advertised product, past advertising impact makes it possible for the advertiser's brand to come to the consumer's mind as a purchase candidate. And also Advertising has been demonstrated, furthermore, to influence *brand switching* by reminding consumers who have not recently purchased a brand that the brand is available and that it possesses favorable attributes.

#### 4. Adding value

Advertising adds value to brands by influencing perceptions. Effective advertising causes brands to be viewed as more elegant, more stylish, more prestigious, of higher quality, and so on. Effective advertising, then, by influencing perceived quality and other perceptions, can lead to increased market share and greater profitability

#### 5. Assisting other company efforts

Advertising is one member of marketing communication and it facilitate the effort of other marketing communications tools like sales promotion and enhance their effectiveness.

Advertising is a tool, used by companies for communication to their customers. The process of communicating to the target audience may begin from complete unawareness of the product on the part of the consumers.

If communication strategy represented by an ad is adequate, consumers become aware of the product. This can lead to consumer's preference for the product, and the belief that the product can satisfy the needs of consumers better than competing ones. This eventually leads to actual purchase (Hutt and Speh, 2004, p. 412 in Joknovic 2005).

Advertising programs can create both product awareness and brand awareness. Consumers exposed to advertising, word of mouth and/or other means of promotion are usually able to recall the brand, even when actual brand awareness and recognition is low (Pitta and Katsanis, 1995, p. 53 in Joknovic 2005).

This means that advertising is an inevitable and a necessary tool in creating brand awareness. Nevertheless, to achieve higher levels of brand awareness, which can eventually lead to brand knowledge, the company needs to take actions to advance its advertising activities

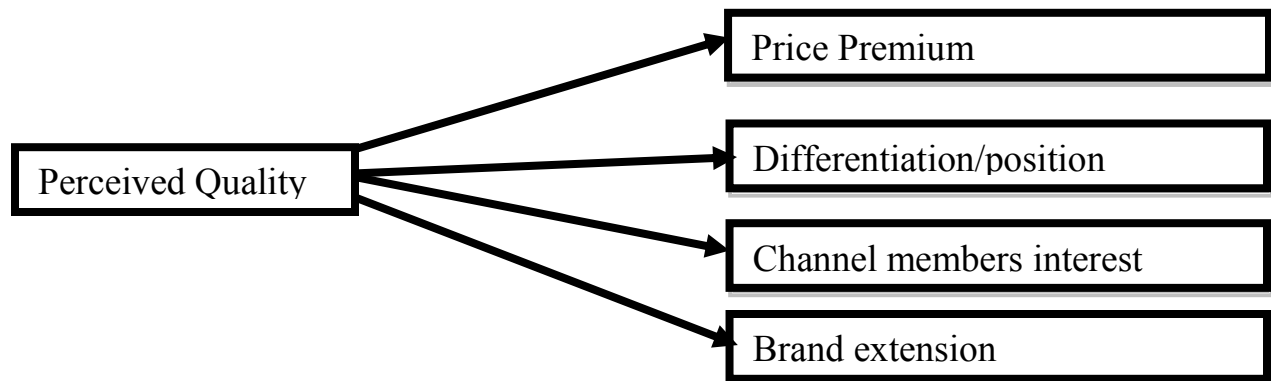
Morden (1991) as cited in Ayanwale et al (2005) is of the opinion that advertising is used to establish a basic awareness of the product or service in the mind of the potential customer and to build up knowledge about it .

From the foregoing, it could be concluded that the purpose of advertising is to create awareness of the advertised product and provide information that will assist the consumer to make purchase decision, the relevance of advertising as a promotional strategy, therefore, depends on its ability to influence consumer not only to purchase but to continue to repurchase and eventually develop-brand loyalty. Advertising is well-suited to generating awareness because it allows the message and audience to be tailored to the job at hand and because it is generally an efficient way to gain exposures (Aaker 1991 p59). Successful brands are built through creative repetition of themes in various types of media. Use of emotions in advertising that appeals to the hearts and minds of the people results in an emotional relationship with customers. As cited in Thanh Cobb-Walgren et al. (1995) found that there is a positive relation between the amounts spent on advertising and brand awareness. Advertising in this study conceptualized as form of marketing communication intended to persuade an audience to purchase or take some action upon products, ideas, or services presently or in the future

***H2: Advertising has a significant positive influence on brand awareness***

## 2.5. PERCEIVED QUALITY

Perceived quality can be defined as the customer's perception of the overall quality or superiority of a product or service with respect to its intended purpose, relative to alternatives and cannot necessarily be objectively determined, in part because it is a Perception and also because judgments about what is important to customers are involved (Aaker 1991 p76). According to Jovanovich (2005) Quality is an ever elaborating perception by the customer of the value provided by a product. It is not a static perception that never changes but a fluid process that changes as a product matures (innovation) and other alternatives (competition) are made on the basis of comparison. Aaker (1991) considered perceived quality as an overall nonphysical feeling toward the brand that impacts market shares, profitability and price. According to Aaker (1991) perceived quality have a value to consumers and also to the marketer.



*Figure 2.2: value of perceived quality for the firm*

Source: Aaker (1991)

### A. Value to the customer: Reason-to-Buy

Perceived quality of a brand provides a pivotal reason-to-buy, influencing which brands are included and excluded from consideration, and the brand that is to be selected. A customer often will lack the motivation to obtain and sort out the information that might lead to an objective determination of quality in a given application. Or the information may simply be unavailable. Or the customer may not have the ability or resources to obtain or process it. In any case, perceived quality becomes central because the perceived quality is linked to purchase decisions, it can make all elements of the marketing program more effective.

## **B. Value to firm**

### 1. Differentiation/position

A principal positioning characteristic of a brand—whether a car, a computer, or a cheese—is its position on the perceived quality dimension.

### 2. A price premium

A perceived quality advantage provides the option of charging a premium price. The price premium can increase profits, and/or provide resources with which to reinvest in the brand. These resources can be used in such brand-building activities as enhancing awareness or associations, or in R&D activities to improve the product.

### 3. Channel members interest

Perceived quality can also be meaningful to retailers, distributors, and other channel members, and thus aid in gaining distribution. In any case, the channel members are motivated to carry brands that are well-regarded, that customers want.

### 4. Brand extension

In addition, the perceived quality can be exploited by introducing brand extensions, using the brand name to enter new product categories. A strong brand with respect to perceived quality will be able to extend further, and will find a higher success probability than a weaker brand

Perceived quality is defined as the consumer's judgment about a product's overall excellence or superiority (Zeithaml, 1988; Aaker and Jacobson, 1994 in S. Low and W. Lamb Jr. 2000). Perceived quality is an intangible, overall feeling about a brand. However, it usually will be based on underlying dimensions which include characteristics of the products to which the brand is attached such as reliability and performance. A strong brand with respect to perceived quality will be able to extend further, and will find a higher success probability than a weak brand. (Aaker 1991, 86–88)

***H3: Perceived quality has a significant positive influence on brand awareness***

## 2.6. PRODUCT INNOVATION

Product innovation can create differentiation, enhance brand's value proposition, expand usage context and block competitors (Aaker 1991, p 145). Mostly organizations are producing products but there is no innovation or modifications in these products.

Mason, (1990) in Hamid et al (2012) refers that the product which are modified can excite and develop the market growth. Product innovation affect the demand and supply of existing products as Kisler & Bachrach, (1973) as cited in in Hamid et al (2012) found that innovation is moreover a new product or method affect the supply of preceding products. To improve the existing products or innovate new product technology is very essential for any firm. Technology is a major factor for product innovation. If organizations have latest technologies then there expected to be product innovations. Danneels, (2002) argues that product innovation brings a change in firm resources and replaces them immediately. Innovation in product in any organization brings the competition with other organization and also takes a competitive edge on the innovated products nationally and internationally

Doa, (1984) in Hamid et al 2012 as cited in says "new product put downward pressure on the prices of existing ones". Prices of new products are higher as compare to preceding one. Organizations are may be more profitable when they introduce new product in the market. Gjerde et al (2002) refers that prices and market forces are increased by large innovations as compared to smaller ones. Product innovation effect the brands recognition. Any brands which are recognized and are given more priority in national and international market have innovation in products also. Those brands are more popular and famous in which product innovations are more. Product innovation makes a huge impact on the market size, growth, prosperity and also organizations revenues.

Gjerde et al (2002) found that when demand increases there is expected to be innovation. It is observed that engine of economic growth and development is innovation. Chaney, Devinney and Winer, (1991) in Hamid et al (2011) Firm cannot take risks to bring innovation in products as Dougherty & Heller, (1994) argues that in any firm innovators used their skills and practices for bringing innovations in products.

***H4: product innovation has a significant positive influence on brand awareness***

## Theoretical framework

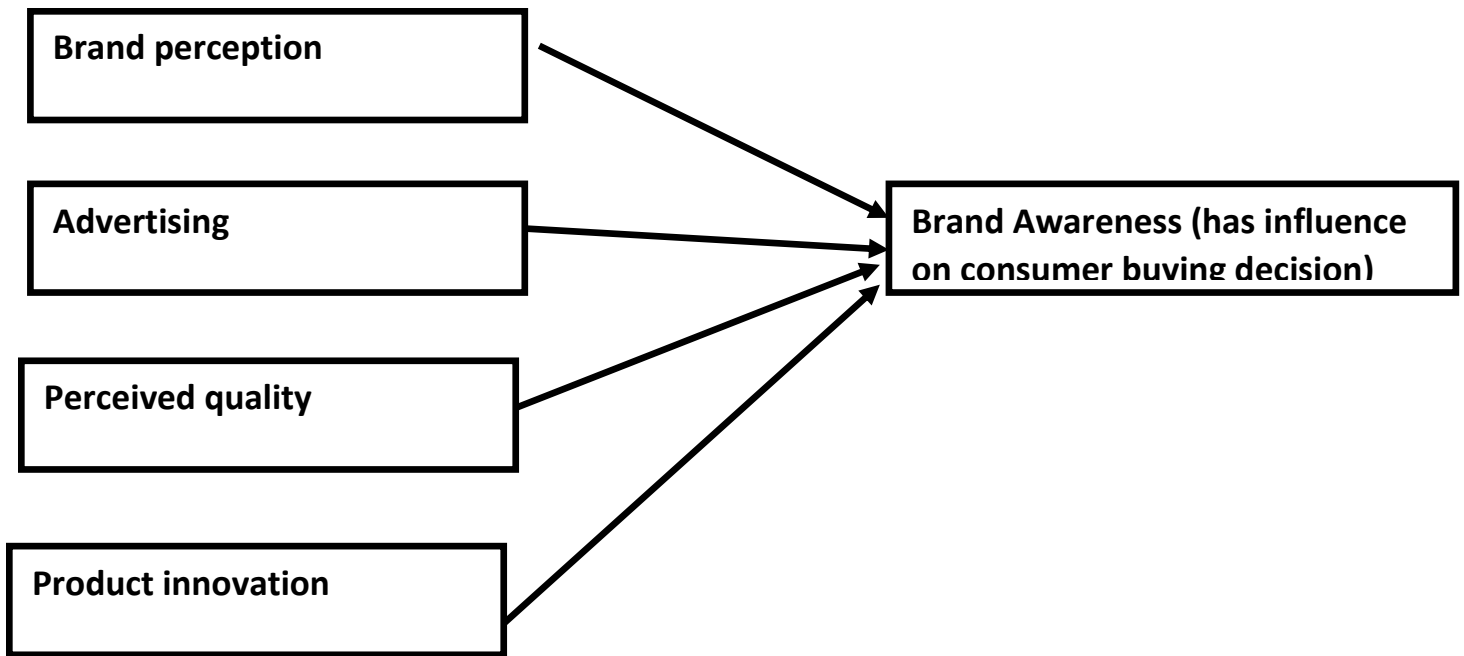


Figure 2.3: Determinants of brand awareness and their relation

# **CHAPTER THREE: RESEARCH METHODOLOGY**

## **3.1. RESEARCH DESIGN**

A research design is a framework for conducting a research project. It specifies the detail of the procedures necessary for obtain the information needed to structure or solve a research problem. The research design for this study is exploratory research. Exploratory research is used to identify and explain the nature of the problem. It focuses on gaining background information and helps to better understand and clarify a Problem. It can be used to develop hypotheses and to develop questions to be answered.

## **3.2. DATA SOURCE**

The study used both primary and secondary data sources. The primary information gathered from sample respondent through structured questionnaire and personal interviews. Secondary data source for the study was collected from books, journals articles, and available literatures on the study area.

## **3.3. METHOD OF DATA COLLECTION**

The study used structured questionnaire and personal interview to collect the data. In order to made a generalization and get large number of respondent standardized questionnaire distributed to consumer of leather footwear. To get deep insight on the problem personal interview made with the marketing manager of the company's under study.

## **3.4. SAMPLING AND SAMPLE SIZE**

Selecting an appropriate sample size from a sample frame is an important to make a generalization.

The study use non probability sampling method to take a sample this is because of difficulty to determine a clear sample frame for the target population. Convenience sampling method of non probability sampling was adopted for investigation. Convenience sampling is a technique in which a sample is drawn from that part of a population that is close to hand, readily available or convenient.

The target population for study includes customers of leather footwear in Addis Ababa and the sample size includes 80 customers the respondents are selected because they are in the right time and right place.

### **3.5. DATA ANALYSIS AND INTERPRETATION**

The data which were obtained from sample customers and companies analyzed according to the objective of the study. The researcher use SPSS 21 soft ware to process and compute the collected data. The study use quantitative (regression) analysis and also qualitative analysis for interview. The statistical method of Pearson Correlation is used to determine the existence of any relationship between the independent variables and dependent variable. Additionally, regression analysis is conducted to examine which among the four independent variable is the most important to affect brand awareness. Descriptive analysis was conducted to describe the profile of respondent.

# CHAPTER FOUR: DATA ANALYSIS

## 4.1. BACK GROUND OF THE STUDY AREA

Ethiopia possesses one of the largest population of livestock in Africa and tenth largest in the world. According to a recent CSA publication on livestock resources, Ethiopia has 53.4 million cattle, 25.5 million sheep and 22.7 million goats (CSA, 2011). This puts the country as one of richly endowed countries in livestock resources. It is estimated that the country can collect 3.7 million cattle hides, 8.4 million sheep skin and 7.7 million goat skin. The leather industry has been one of the major traditional industries to gather with the coffee and garment industries, but it is now a turning point to change itself from a traditional industry to modern industry to penetrate the international high value- added leather market, under strong initiative of the government. The leather industry is one of many economic sectors, which should be given attention for the development of our country. This sector is one of the leading industries playing a significant role in the generation of foreign currency, which ultimately the country utilizes, for the developing all other sectors of its economy (embassy of Japan)

The manufacture of leather and leather products in Ethiopia dates back to historical times, and traditional cottage leather manufacturing is still practiced for both hides and skins. Leather manufacturing in modern tanneries began in mid-1920s. Ethiopia's leather and leather product sector produce a range of products from semi processed leather in various forms to processed leather including shoe upper, leather garments, stitched upholstery, backpacks, purses, industrial gloves and finished leather. The production of leather shoes in Ethiopia dates from the late 1930s when Armenian merchants founded two shoe factories in Addis Ababa namely *Tikur Abay* and *Anbessa*. These factories nurtured a number of shoe makers, who opened their own factories in Addis Ababa and trained their workers. Today, the neighborhood of Mercato, a huge market place in the city, swarms with shoemakers, wholesale shops dealing in leather, soles and shoe accessories and shoe retail stores. The leather footwear industry is considered as an important sub- sector that leads the whole sectors modernization, although the export of leather footwear started only in 2005, the export value has been growing steadily since then and is expected to make a big impact on the Ethiopian economy. Not only is the economic impact resulting from the trade important but also the job opportunities the industry may create could make a significant impact on poverty reduction. In early 2000s, the footwear industry suffered a serious crisis when Chinese imports of cheap synthetic shoes flooded the domestic market, driving many small-scale producers out of business. Large enterprises, however, reacted to the

challenge, importing modern machineries and improving the quality, design, and durability of shoes, soon after the first wave of Chinese import consumer aware of the low quality and durability of these synthetic products, returning to buy genuine leather shoes from domestic producers. Today mechanized factories are clearly competitive and growing, whereas small producers of low-quality shoes still struggling to compete with Chinese import. According to LIDI report in 2004 there are 22 tanneries and another 18 leather products manufacturing enterprises operate in the country producing products ranging from various forms of semi processed to finished leather articles.

**Table 4.1. Production capacity, utilization & products of major shoe factories**

No	Name of company	Installed production Capacity/Day	Actual production capacity/Day	Local market Coverage	Export market coverage	Type of Product
1	Anbessa shoe S.C	3000	2000	36%	64%	Men's, ladies and Children
2	Kangaroo shoe plc.	800	500	95%	5%	Men, ladies and Children
3	Ramsay shoe	2000	1200	35%	65%	Mens and ladies
4	Ok Jamaica shoe	800	200	80%	20%	Men
5	Pecok shoe	3000	2000	—	—	Men, ladies and Children
6	Dire industries plc.	2000	1500	10%	90%	Men, ladies and Children
7	Tikur Abby shoe S.C	4200	3500	40%	60%	Men, ladies and Children
8	Gelila shoe	1200	600	—	—	Children sport Work

9	Ras dashen shoe	1000	700	30%	70%	Mens and Children
10	Ara shoe factory	1500	1300		100%	
11	Sheba shoe factory	1000	600	70%	30%	Mens and ladies
12	Walia shoe factory	1000	400	25%	75%	Men, ladies and children
13	New wing-Adiss shoe plc.	4000	1000	–	100%	Ladies
14	Crystal shoe factory	700	250	80%	20%	Leather
15	Huajian international shoe plc.	400	3000	–	100%	Ladies
16	Park shoe and leather products	550	300	100%	–	Shoe

*Source: LIDI, 2004E.C: Footwear manufacturing industries profile*

## 4.2. DATA ANALYSIS AND DISCUSSION

The primary aim of this study was to assess consumers' awareness of local leather footwear brands in Ethiopia, based on the data which was obtained from sample customers and leather footwear manufacturers through questionnaire and interview.

In this research, Statistical Package for Social Science programs (SPSS) 21 .0 is used for data analysis. The methods used in data analysis includes descriptive analysis and multiple regression analysis. Descriptive analysis is used to summarize the general profile of respondents while multiple regression analysis is applied to determine whether the proposed independent variables (Brand perception, Advertising, perceived quality and product innovation) have effect on the dependent variable (Brand awareness). Data for analysis was collected from customers and the marketing managers of sample manufacturers. Eighty questionnaire were distributed for customers out of which 50 were returned and also five marketing managers were interviewed

#### 4.2.1. Description and analysis of data which obtained from customers

##### *Descriptive analysis*

The researcher distributed 80 questionnaires to conduct the study among them 50 questionnaire were returned back so the data below show the analysis of 50 respondents

##### A. General respondent profile

**Table 4.2. Gender and age of the respondents**

Item		Frequency	Percentage
• Gender	Male	28	56%
	Female	22	44%
	Total	50	100%

**Table 4.3. Educational back ground and age distribution of respondents**

1. Age	18	-	-
	18-35	33	66%
	35-65	12	24%
	>65	5	10%
	Total	50	100%
2. Educational Background	High school	4	8%
	Diploma	12	24%
	Bachelor degree	23	46%
	≥ Master's degree	11	22%
	Total	50	100%

From the above tables 56% percent of the respondent are males and the remaining 44% are females and also 66% of the respondent are in the age between 18-35 which is the age in which large number of population lie 24% are between age of 35 and 65 and the remaining 10% include age above 65

The educational back ground show that large number of respondent (46%) have a Bachelor degree which show that most of the respondents have a good understanding about brand and brand related concepts 24% of the respondent

**B. The awareness level of the brands under study**

**Table 4.4 Descriptive statistics for dependent variable**

Brands	Mean and Standard deviations	Brand Awareness
Anbessa shoe	Mean	4.16
	SD	1.159
Kangaroo shoe	Mean	3.67
	SD	1.302
Tikur Abay shoe	Mean	2.61
	SD	1.193
OK Jamaica shoe	Mean	2.65
	SD	1.310
Peacock shoe	Mean	3.13
	SD	1.357
Number of respondent N=50		

The above table show the awareness level of the brands under study. AS seen from the table Anbessa shoe has strong brand awareness than other brands with mean 4.16 and SD of 1.1569 Kangaroo shoe take the second with mean of 3.67 and SD=1.302 Peacock shoe take third with mean of 3.13 and SD=1.357 the remaining two brands Tikur Abay and OK Jamaica have approximately with same level.

**Table 4.5 Descriptive statics for independent variables**

Brands		Brand perception	Advertising	Quality	Product innovation
Anbessa shoe	Mean	3.45	3.54	4.14	3.34
	SD	1.40	1.39	1.17	1.39
	N	50	50	50	50
Kangaroo shoe	Mean	3.73	4.01	3.83	3.73
	SD	1.31	1.23	1.12	1.31
	N	50	50	50	50
Tikur Abay shoe	Mean	2.67	2.18	3.05	2.08
	SD	1.17	1.11	1.12	1.077
	N	50	50	50	50
OK Jamaica shoe	Mean	2.97	2.29	2.95	2.98
	SD	1.35	1.19	1.24	1.401
	N	50	50	50	50
Peacock	Mean	3.28	2.47	3.32	3.33
	SD	1.38	1.31	1.275	1.41
	N	50	50	50	50

Table 4.5 shows that the descriptive statistics for independent variables of brands. The first variable is brand perception as seen from the table Kangaroo shoe has strong brand perception with (Mean =3.73 and SD =1.31) than others that is it perceive as quality, low price convenient for purchase innovative brand than others the next is Anbessa shoe (mean=3.45 and SD =1.4) while *Tikur Abay* shoe (Mean =2.67 and SD=1.17) has low brand perception. The advertising activity perform by Kangaroo shoe (Mean=4.01 and SD=1.23) is better than other brands while Tikur Abay (Mean=2.18 and SD= 1.11) has low performance in advertising activity than other brands. In terms of perceived quality Anbessa shoe (Mean =4.14 and SD=1.17) take the first position while OK Jamaica (Mean= 2.95 and SD =1.24) has lowest in its perceived quality. Product innovation by Kangaroo shoe (Mean= 3.73 and SD= 1.31) take the first and Anbessa shoe (Mean= 3.34 and SD= 1.39) the second but Tikur Abay (Mean =2.08 and SD= 1.077) shoe has lowest in its

product innovation. have diploma and 22% have second degree and above and the rest 8% completed high school.

## Regression Analysis

Regression analysis in this study is used to determine whether the independent variables explain their will be significant variations in the dependent variable and whether a relationship exists. If  $p \leq 0.05$ , that means the hypothesis is supported and can be used to make predictions, however, if  $P > 0.05$ , it means the hypothesis is rejected. From a statistical point of view, brand awareness as seems as the dependent variable; it will be the “Y” variable in our regression analysis. The variables such as brand perception, advertising, perceived quality, and product innovation will be the independent variables (X variable).

## Pearson correlation coefficient

Pearson correlation coefficient (r) is a measure of the strength of the association between the two variables. Theoretically, there could be a perfect positive correlation between variables which is represented by 1.0(plus1), or a perfect negative correlation which would -1.0(minus 1) while correlation range between -1.0 and +1.0,

The researcher need to know if any correlation found between two variables is significant or not, as for the information, a significance of  $p=0.05$  is the generally accepted This indicates that 95 times out of 100, the researcher can be sure that there is a true or significant correlation between the two variables, and there is only a 5% chance that the relationship does not truly exist.

The correlation matrix between dependent variable and independent variables are exhibited in Table4.5 below

**Table 4.5. Correlation Matrix**

	Brand Awareness	Brand Perception	Advertising	Perceived Quality	Product Innovation
Brand Awareness	1.000				
Brand Perception	.654	1.000			
Advertising	.471	.607	1.000		
Perceived Quality	.594	.712	.601	1.000	
Product Innovation	.479	.775	.604	.794	1.00

### Multicollinearity Taste

Multicollinearity is a correlation among the independent variables that distort the standard error of the estimate and may therefore lead to incorrect conclusion as to which independent variables are significant. Comparatively small degree of multicollinearity if tolerance value and VIF value are above 0.10 and below 10 respectively

**Table 4.6. Multicollinearity Table**

<i>Independent Variables</i>	<i>Collinerity statistics</i>	
	Tolerance	Variance Inflation Factor
<i>Perception</i>	0.355	2.871
<i>Advertising</i>	0.565	1.771
<i>Perceived quality</i>	0.333	3.005
<i>Product innovation</i>	0.276	3.628

As seen from the a above table the tolerance value of all variables is above 0.1 and also their VIF value is below 10 which indicate that there is a small degree of multicollinerity among variables

### Coefficient of Multiple Determinations (R<sup>2</sup>)

The coefficient of multiple determinations R<sup>2</sup> is the percent of the total variation explained by the regression. Look at the model summary table (4.6), the four independent variables that constitute the brand awareness of coefficient of determination R<sup>2</sup> is 0.495, which implies that there is quite significant explanatory power and also 49.5% variation on dependent variable is caused by independent variables and the remaining 50.5% is because of other unknown variables. The value of  $F'$  is 11.186 at 0.000 significant level

**Table 4.7. Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.703 <sup>a</sup>	.495	.450	.47040

a. Predictors: (Constant), Product Innovation, Advertising Perception ,Quality

## Test of significance

Coefficient table shows which variables are individually significant predictors of dependent variable. Standardized Beta coefficient show the contribution of an individual variables. The Beta weight is the average amount the dependent variable increases when the independent variable increase by one standard (all other independent variables are held constant).

**Table 4.8. Coefficients a**

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	.828	.393		2.108	.041
Perception	.556	.169	.584	3.284	.002
Advertising	.086	.148	.082	.582	.563
Quality	.377	.174	.398	2.165	.036
Product Innovation	-.289	.172	-.339	-1.680	.100

<sup>a</sup>Dependent Variable: Awareness

As seen from the above table the beta value for brand perceptions (0.584) while the value of  $t^2$  is (3.284) and significant at 0.002. Which indicate that the largest influence on the brand awareness come from brand perception. The Beta value for advertising is (0.082) while the value of  $t^2$  is 0.582 and significant at (0.563). The Beta value for perceived quality is (0.398) while the value of  $t^2$  is 2,165 and significant at (0.036) and the Beta value for product innovation is (-0.339) and t value of -1.68 and significant at 0.100

- H1: Brand perception has a significant positive influence on brand awareness.  
(Reject Ho if  $p < 0.05$ )

From Table 4.8 the significant value of brand perception is 0.002 which is less than p value of 0.05. Therefore H1 is accepted, which indicate brand perception has a significant positive influence to wards brand awareness of domestic leather foot wears.

- H2: Advertising has a significant positive influence on Brand awareness

From Table 4.8 the significant value of Advertising is 0.563 which is more than p value of 0.05 Therefore HI is rejected, which indicate Advertising has no a significant positive influence to wards brand awareness of domestic leather foot wear

- H3: Product perceived quality has a significant positive influence on brand awareness

From Table 4.8 the significant value of perceived quality is 0.36 which is less than p value of 0.05 Therefore HI is accepted, which indicate perceived quality has a significant positive influence to wards brand awareness of domestic leather foot wears.

- H5: Product innovation has a significant positive influence on brand awareness

From Table 4.8 the significant value of product innovation is 0.100 which is more than p value of 0.05 Therefore HI is rejected which indicate product innovation has no a significant positive influence to wards brand awareness of domestic leather foot wears

#### **4.2.2. Analysis of data obtained through interview**

Under this section the data obtained through interview with the marketing managers (a person who responsible for marketing activity of the organization) about the brand awareness of the organization was described and analyzed below according to the order of the questions

According to the American Marketing Association definition brand include a name, term, sign, symbol, or design, or a combination of them, intended to identify the goods or services of one seller or group of sellers and to differentiate them from those of competitors. Sample companies use a combination of a name, sign, symbol and design to differentiate their company from competitors they further explain that they use two types of branding to market their products that is corporate brand and product brand. Corporate brand is the name of the organization while product brand is the name of specific product produced by the firm. All interviewee agree that most of the customers know the corporate brand name rather than specific product brand name.

Regarding the role of brand awareness for brand equity all the respondent positively understand the role of brand awareness for their success and they work hard to build strong brand image in the market.

All marketing managers strongly believed that they are well known by the consumers in the market this can be measured at the point of purchase when consumer make buying.

Question related to awareness measure all respondents say that they use brand awareness as a measure of their marketing communication effectiveness and they have no clear means of measuring their brand awareness

On factors proposed in the study all the managers agree on this factors and they further explain that customer's perception on quality fashion ability, design and price of domestic products have a great impact on customer awareness that is there is a negative perception of customers about domestically produced products and there is a positive perception on foreign products in addition to that accessibility of foreign product in the market have impact on customer awareness.

All managers say that they use different promotional campaigns to create brand awareness such as advertising by using different media, they participate in trade shows and exhibitions and also they sponsor different events but they believe that most of them focus on foreign market and they do little to address the domestic market.

According to the managers, they get customer feedback through suggestion box, email and directly face to face complaint. They further say that most of complain related to product design and style that is a bout product innovation and they respond by making correction according to the complaint.

In general the researcher mainly analyzed the collected data and interpret the research finding. By using SPSS 21 software, descriptive analysis present the demographic characteristics, there are 50 respondents participated in survey which include 56% male and 44% female. The participant age range show that most of participants are found between 18 and 35 which is 66% and 24% of the participant found in the range between 35 and 65 and the remaining 10% found in age range above 65

Moreover, a total of 65.5% respondents had a college degree, 16% had a master degree, 15% respondents were graduated from high school and 2.4% were from middle. Large number of respondent (36% )of respondent remember Anbessa shoe when they think to purchase domestic leather shoe which imply that Anbessa shoe is well known by buyers than other domestic shoe brands and kangaroo shoe take the second position. Tikur Abay shoe is not well known by buyers

Regarding the independent variable Kangaroo shoe has strong brand perception have a good performance in advertising activity and product innovation the next is Anbessa shoe while *Tikur Abay* shoe has low brand perception. In terms of perceived quality Anbessa shoe take the first position while OK Jamaica has lowest in its perceived quality. Tikur Abay shoe has last position in all of the independent variable according to customer response.

Finally by using regression analysis the researcher found out that brand perception of customer and perceived quality have a positive impact on brand awareness but advertising and product innovation have not.

# CHAPTER FIVE: CONCLUSION AND RECOMMENDATION

## 5.1. CONCLUSION

The aim of this study is to assess the factors that affect brand awareness of domestic leather footwear. The researcher select four variables as a factor to affect brand awareness.

- The first variable is "brand perception" analyzed result show that it has a significant impact on consumer awareness. The consumer uses perceived attributes in the decision-making process. Customers perceive domestically produced products has low attributes like in quality, style, design, fashion and price. Especially they perceive domestically produced products as old fashioned and outdated and high in price. That is why they prefer low priced stylish design but incomparable quality foreign products.
- Another variable that has a significant positive influence on brand awareness is perceived quality that is in making brand choice consumer take in to account perceived quality of a product and customers strongly believe on the quality of domestically produced leather footwear's but what make them away from this product is their price.
- Other variables proposed by researcher are advertising and product innovation the analyzed result show they have impact on brand awareness but their impact is not significant to influence brand awareness of domestic leather footwear.

## **5.2. RECOMMENDATION**

Brand awareness as one of the fundamental dimension of brand equity is often considered to be a prerequisite of consumer buying decision. It is a main factor for a brand to be included in the buying decision process consideration set, as most of the consumer prefer buying a brands they are aware of (brands they are familiar with or, at least they have heard of). The ultimate goal of most business is to increase sales and income. The more aware consumer are of your product and your brand the more likely they buy from you.

In order to create, maintain and the awareness of the brand it is better to know what affect it. Based on conclusion the researcher give the following suggestion

- Here are two factors which affect brand awareness that is perception and perceived quality. There are different dimensions influencing consumers brand perception of domestic leather footwear and consumer give different place of importance on this dimensions such as they give first place on price while make a purchase so domestic leather foot ware manufacturers take into account consumer perception of their product in their brand management which include set affordable price without affecting quality because the customers are confidential on quality of domestically produced leather footwear's .
- Leather footwear manufacturers work to maintain the quality of their product
- .Government also work in coordination with tis manufacturers to improve the consumer perception of domestically produced products by using public media and set rule and regulation on imported goods

## **5.3. FUTURE RESEARCH**

Future researchers are highly encouraged to conduct further study throughout the whole of Ethiopia which includes wider area. It should be conducted nationally in order to have a clearer indication and thus able to clarify customers brand awareness in Ethiopia entirely and can assist to originate the best findings of the study for generalizing the overall population and developing a full and intensive research.

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# APPENDIX I: QUESTIONNAIRE TO BE FILLED BY CUSTOMERS

## Dear Respondent

This questionnaire is prepared to critically look the factors that affect the brand awareness of domestic leather footwear's and how they affect them and the study is made only for the academic purpose. This research is conducted as part of the partial fulfillment of Masters of Arts in Business Administration; it will also be available input for further investigation of same phenomenon. You are therefore kindly requested to express your opinions, feelings and experience as openly as possible and as a result it will not be difficult for us to get your true picture and feeling about domestic footwear brands. The information that you are going to provide here is highly important and confidential. Please encircle the number of your response depending on the type of questions and write your reasons, comments, and feelings on the space provided.

Thanks in Advance

## General profile

### 1. Sex:

1. Male

2. Female

### 2. Age:

1. 18 years old

2. Between 18-35

3. Between 35-65

4. Above 65

**3. Education:**

1. High school and preparatory
2. Diploma
3. First degree
4. Master degree and above

**Brand awareness**

1. Which domestic brand comes up first in your mind when you need to make a purchase decision on leather shoe?

**Please state your extent of agreement by encircling the number**

*Strongly disagree (1)      Disagree (2)      Neutral (3)      Agree (4)      Strongly agree (5)*

1. I am familiar with the following brand.

Anbesa shoe	Tikur Abay shoe	Peacock shoe	Jamaica shoe	Kangaroo shoe
1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5

2. I can recognize this brand among other competitive brands?

Anbesa shoe	Tikur Abay shoe	Peacock shoe	Jamaica shoe	Kangaroo shoe
1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5

3. I can quickly recall the symbol and logo attached to this brands

Anbesa shoe	Tikur Abay shoe	Peacock shoe	Jamaica shoe	Kangaroo shoe
1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5

4. This brand is well known

Anbesa shoe	Tikur Abay shoe	Peacock shoe	Jamaica shoe	Kangaroo shoe
1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5

## Brand perception

1. Please explain your extent of agreement by writing the number inside the table

*Strongly disagree (1)      Disagree (2)      Neutral (3)      Agree (4)      Strongly agree (5)*

Items	Brands				
	Anbesa shoe	TikurAbay shoe	Peacock shoe	Jamaica shoe	Kangaroo shoe
1. This brand maintain its quality than competing brands					
2. This brand has reasonable price than competing brands					
3. This brand is conveniently located for purchase					
4. This brand is innovative					
5. This brand is fashionable					
6. This brand stylish in design					

## Advertising

1. Advertising of this brand positively influence you to purchase the brand

Anbessa shoe	Tikur Abay shoe	Peacock shoe	Jamaica shoe	Kangaroo shoe
1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5

2. Advertisings of this brand are seen very interesting funny, exciting

Anbessa shoe	Tikur Abay shoe	Peacock shoe	Jamaica shoe	Kangaroo shoe
1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5

3. Advertisings of this brand are easy to remember

Anbessa shoe	Tikur Abay shoe	Peacock shoe	Jamaica shoe	Kangaroo shoe
1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5

**QUALITY**

4. This brand has very good quality

Anbessa shoe	Tikur Abay shoe	Peacock shoe	Jamaica shoe	Kangaroo shoe
1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5

5. I satisfied with the quality of this brand

Anbessa shoe	Tikur Abay shoe	Peacock shoe	Jamaica shoe	Kangaroo shoe
1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5

6. This brand is better as compared to other brand(s) of the product in terms of the Durability/comfort/ style/ appearance.

Anbessa shoe	Tikur Abay shoe	Peacock shoe	Jamaica shoe	Kangaroo shoe
1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5

7. The company is famous in its quality control

Anbessa shoe	Tikur Abay shoe	Peacock shoe	Jamaica shoe	Kangaroo shoe
1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5

**Product innovation**

1. I feel that the company's with their product really understands customers need

Anbessa shoe	Tikur Abay shoe	Peacock shoe	Jamaica shoe	Kangaroo shoe
1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5

2. Products produced under this brand are different than the products of other companies in the same industry

Anbessa shoe	Tikur Abay shoe	Peacock shoe	Jamaica shoe	Kangaroo shoe
1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5

3. Product produced by those firms have comparable stylish design with foreign once

Anbessa shoe	Tikur Abay shoe	Peacock shoe	Jamaica shoe	Kangaroo shoe
1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5

4. Companies response to changing demand of customer is rapid

Anbessa shoe	Tikur Abay shoe	Peacock shoe	Jamaica shoe	Kangaroo shoe
1 2 3 4 5	1 2 3	1 2 3 4 5	1 2 3 4 5	1 2 3 4 5

# **APPENDIX 2: INTERVIEW QUESTION**

1. Which brand did you use for market?
2. What do you think about the role of brand awareness for your company?
3. Have you measured the awareness of any of your brands?
4. What do you think about the factors (brand perception, perceived quality, advertising and product innovation) that affect brand awareness of your company?
5. What do you think about the factors (brand perception, perceived quality, advertising and product innovation) that affect brand awareness of your company?
6. Which promotional tool you use to create brand awareness?
7. How do you measure the effectiveness of your promotional tools?
8. Did you get customers feedback about your product? If yes in what way?
9. Did you state some of the complaint your customers about the products?
10. How you handle customer complaint?