



**ADDIS ABABA UNIVERSITY**

**COLLEGE OF BUSINESS AND ECONOMICS**

**DEPARTMENT OF BUSSINESS ADMINISTRATION**

**LINKING BRAND AWARENESS TO LOYALTY: THE MEDIATING  
ROLE OF PERCEIVED QUALITY IN HABESHA BEER MARKET,  
ADDIS ABABA**

**BY**

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**JUNE 2025**

**ADDIS ABABA, ETHIOPIA**

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**APPROVAL SHEET**

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**BY**

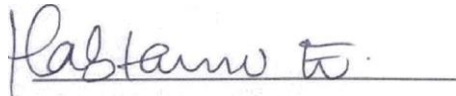
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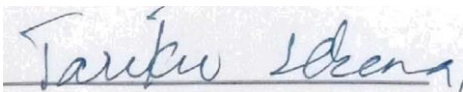


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## DECLARATION

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

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May 2025

## ENDORSEMENT

This is to certify that the thesis entitles “Linking Brand Awareness to Loyalty: The mediating role of perceived quality in Habesha Beer market, Addis Ababa” submitted to Addis Ababa University, College of business and economics for the award of the Degree of Master of Business Administration (MBA) and is a record of research work carried out by Meron Mengesha, under my guidance and supervision. Therefore, I hereby declare that no part of this thesis has been submitted to any other university or institution for the award of any degree or Diploma.

Desalegn Amlaku (PhD)



May 30, 2025

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## ACRONYMS AND ABBREVIATION

<b>TOMA</b>	Top of Mind Awareness (TOMA)
<b>SEM</b>	Search Engine Marketing
<b>PL-SEM</b>	Partial Least Squares Structural Equation Modelling
<b>BLOY</b>	Brand Loyalty
<b>PERQ</b>	Perceived Quality
<b>BAWR</b>	Brand Awareness
<b>RCAL</b>	Brand Recall
<b>RCOG</b>	Brand Recognition

## ABSTRACT

*This study examines the relationship between brand awareness, perceived quality, and brand loyalty within the Habesha Beer market in Addis Ababa, aiming to understand how these factors collectively influence consumer commitment and purchasing behavior. While previous research has explored these constructs separately, there is a gap in localized studies that assess their combined impact on brand preference in Ethiopia's competitive beer industry. The aim of this study was to evaluate how brand awareness and perceived quality drive brand loyalty, with a specific focus on their direct and indirect effects. The population consists of beer consumers in Addis Ababa, with a sample size of 302 respondents selected using a convenience sampling method to ensure data collection across different consumer demographics. The study relies on primary data sources, collected through structured questionnaires designed to capture consumer perceptions and purchasing patterns. Descriptive statistics, correlation analysis, and multiple linear regression modeling were employed to identify relationships between key variables with the help of SPSS 25.0. Findings indicate that brand awareness is a significant precursor to brand loyalty, but perceived quality plays a crucial mediating role, meaning that awareness alone does not guarantee long-term commitment. Additionally, while consumers demonstrate strong advocacy for Habesha Beer, brand preference over competitors remains moderate, suggesting opportunities for enhanced differentiation. The importance of reinforcing brand recall, improving perceived quality, and strengthening consumer engagement to boost loyalty. It is recommended that targeted marketing strategies, loyalty programs, and brand storytelling initiatives to enhance consumer attachment and competitive positioning. Strengthening both brand awareness and product quality shall be essential for sustaining market leadership in Ethiopia's beer industry.*

# CHAPTER ONE: INTRODUCTION

## 1.1. Background of the Study

The brewery industry has seen unexampled growth in the recent past, signaling a new era of change and opportunity. The boom is fueled by a rapidly increasing middle class with higher disposable incomes, urbanization process bringing modern ways of life to the forefront, and increased demand for an expanding range of alcoholic beverages (Azzahra, Latifah & Mawardi, 2023). In today's modern era, a successful business can be seen from the creation of brands that have managed to maintain their distinctive image to maintain the competitive advantage of their products in the market (Aaker, 1991). Despite huge opportunities, building brand loyalties presents the most critical challenge - the maker or breaker of enduring success. To the breweries operating in this highly competitive industry, the war is not winning consumers but gaining their confidence and repeat business with many options.

Brand loyalty refers to when customers choose one brand repeatedly over another (Oliver, 1999). Repeat buyers guarantee stable sales and often recommend the brand to others, giving good word-of-mouth recommendation (Andik & Rachma, 2021). In the Ethiopian beer market, where choices are increasing, brand loyalty is the method by which profitability and long-term success may be achieved. Brand awareness, or how well consumers know a brand, plays a significant role in the way their perceptions and purchasing decisions are made (Aaker, 1991). Strong brands possess an advantage over others as consumers are likely to buy products they recognize and trust (Keller, 1993). Breweries are able to create brand awareness through smart marketing campaigns, effective advertising, and consistent brand messaging, which allows them to create a positive image in the minds of consumers. Although there is existing research on brand awareness and loyalty, few studies focus on the Ethiopian beer sector.

Moreover, the influence of perceived quality as it pertains to brand loyalty has not been investigated extensively. This implies the relevance of studying Habesha Beer in Addis Ababa with greater depth. There have been recent studies demonstrating variability in definitions and measurement used for these ideas, implying that there is value in further such studies (Romaniuk & Sharp, 2004). Bridging these gaps will be valuable to learning as much as it has practical applications. From an academic perspective, the present study is adding new facts from a non-traditional market. Practically, the results could be useful to marketers and brand managers at Habesha Beer and other companies like

Habesha Beer to come up with better strategies in maintaining brand loyalty through enhanced brand awareness and perceived quality. Understanding these factors can lead to better marketing decisions and more market share.

Habesha Beer, established in 2012, has rapidly emerged as one of the leading beer brands in Ethiopia, driven by effective marketing strategies and a strong brand presence (Tesfahun, 2021). The brand commands a significant market share in Ethiopia and continues to expand its customer base, as highlighted in recent market analyses (Global Data, 2024). While surveys consistently demonstrate high brand awareness, consumer perceptions regarding the quality of the Beer differ across various segments (Elias, 2018; Ethiopian Investment Agency, 2023). This variation underscores the critical role that perceived quality plays in fostering brand loyalty, suggesting that addressing these perceptual differences could further enhance the brand's competitive position.

A literature review indicates that despite the much-studied subject of brand awareness, its relationship with perceived quality and its ensuing influence on brand loyalty requires study. For instance, a scenario in Ethiopia's growing beer market: customers may be highly familiar with a brand like Habesha Beer due to its extensive advertising and wide availability, yet their loyalty might waver if they perceive the quality of the beer inconsistently across batches or in comparison to competitors (Elias, 2018). Moreover, studies in other industries provide some justification for this gap. In markets such as cosmetics or automobiles, perceived quality has been shown to amplify the positive effects of brand awareness on customer loyalty (Reichheld, 2003; Romaniuk & Sharp, 2004). This suggests a direct link between how well a brand is known and how consumers rate its quality - both of which are critical to maintaining a loyal customer base. Despite such practical implications, existing research often treats these factors independently, neglecting the nuanced relationship between them.

This study tries to fill the gap by exploring these interrelated constructs in the context of Habesha Beer. The aim of the study is, thus, to analyze the utilization of brand awareness as a strategic tool of constructing brand loyalty and in the process generating long-term customer retention in the beer industry. Habesha Beer is the area of focus, with theoretical contributions to existing research literature and practical contributions to business practice, assuming it enhances Habesha Beer's competitive market position through the establishment of long-term customer relationships.

## 1.2. Statement of the Problem

Ethiopia's beer industry is experiencing significant growth, driven by economic expansion, urbanization, and evolving consumer preferences (Ethiopian Investment Commission, 2023). In urban centers like Addis Ababa, increasing product availability and aggressive marketing have intensified brand competition, compelling breweries to focus not only on visibility but also on long-term consumer retention. Amid this shift, brand loyalty is emerging as a critical factor for securing market stability and differentiation (Tesfahun, 2021).

Although competition characterizes today's Ethiopian beer market, brand awareness remains essential in shaping consumer decisions, particularly in categories like beer where symbolic identity and familiarity reduce perceived risk (Aaker, 1991; Keller, 1993). The assumption that heightened competition diminishes the value of awareness misunderstands its role—as markets become saturated, only brands that are deeply embedded in consumer memory thrive (Romaniuk & Sharp, 2004).

Habesha Beer represents a compelling case: despite high brand visibility and strong cultural resonance, studies show it commands only moderate consumer preference over competitors (Elias, 2018; GlobalData, 2024). This paradox - high awareness but non-exclusive loyalty, underscores the need to investigate the cognitive and perceptual mechanisms that convert brand familiarity into sustained allegiance.

In many cases, literature acknowledges the importance of perceived quality in brand choice (Zeithaml, 1988; Keller, 2006). However, its mediating role between brand awareness and loyalty has not been adequately explored within Ethiopia's consumer market, particularly in the beer segment. Rather than assuming this gap is extensively explored, this study posits that localized exploration of consumer-driven quality perceptions offers both theoretical and strategic value (Azzahra et al., 2023; Hill & Yoeung, 2024). In markets undergoing cultural and commercial transitions like Ethiopia - how consumers process brand signals and translate them into loyalty cannot be assumed to follow patterns observed in mature markets (Nguyen, Barrett & Miller, 2011).

Accordingly, this study seeks to examine how brand awareness influences brand loyalty, and how perceived quality mediates this relationship in the context of Habesha Beer. This framework is theoretically anchored in Brand Equity Theory (Aaker, 1991) and the Hierarchy of Effects Model (Lavidge & Steiner, 1961), which propose that brand recall, recognition, knowledge and top-of-mind enhance perceived product quality, which in turn fosters deeper emotional and behavioral loyalty (Keller & Swaminathan, 2023).

By contextualizing global models within Ethiopia's socio-cultural and economic realities, this study contributes to the branding literature in emerging markets and offers actionable insights for breweries facing competitive and perceptual challenges. The goal is to identify how brands can go beyond awareness to build trust-based loyalty through perceived quality, and thereby achieve sustainable differentiation in an increasingly crowded market.

### **1.3. Research Questions**

The main inquiry of this study is how does brand awareness affect consumer brand loyalty through perceived quality in Ethiopian Brewery industry by taking Habesha Beer as a case. In the course of addressing this inquiry, the following specific questions need to be addressed as well:

1. What is the relationship between brand awareness and brand loyalty of Habesha beer?
2. How does brand awareness affect perceived quality of Habesha Beer?
3. How does perceived quality of Habesha Beer influence consumer brand loyalty?
4. What is the role of perceived quality in mediating the relationship between brand awareness and brand loyalty in the Habesha beer market?

### **1.4. Objectives of the Study**

#### **1.4.1. General Objective**

To examine the effect of brand awareness on brand loyalty mediated by perceived quality, evidence from the Habesha Beer brand in Addis Ababa was used.

#### **1.4.2. Specific Objectives**

The specific objectives of this study are as follows:

1. To investigate the direct effect of brand awareness on brand loyalty in the Habesha beer market in Addis Ababa.
2. To examine the relationship between brand awareness and perceived quality in the Habesha beer market in Addis Ababa.

3. To analyze the relationship between perceived quality and brand loyalty within the Habesha beer market in Addis Ababa.
4. To examine the mediating role of perceived quality in the relationship between brand awareness and brand loyalty within the Habesha beer market in Addis Ababa.

### **1.5. Significance of the Study**

This study will examine the relationship between brand awareness, perceived quality, and brand loyalty within the Habesha Beer market, providing both practical and academic value. As Ethiopia's beer industry grows rapidly, especially in urban centers like Addis Ababa, it is critical to understand the drivers of consumer loyalty amidst globalization and evolving consumer expectations. Beer consumption in Ethiopia, closely tied to cultural identity and communal traditions, offers unique insights into these dynamics.

Practically, the study will deliver actionable recommendations for Habesha Beer and similar brands. By emphasizing the mediating role of perceived quality, it will guide businesses in refining marketing strategies, enhancing quality control, and building stronger emotional connections with consumers. This is particularly important as global competitors increasingly enter Ethiopia's market, elevating the need for local brands to maintain competitive differentiation and customer loyalty.

On a broader level, the research will enrich the academic discourse on branding in emerging markets by addressing Ethiopia's distinctive socio-cultural and economic context. It will bridge gaps in existing models of brand loyalty, offering insights that can be applied to similar industries in other developing economies. Ultimately, this study will benefit businesses, consumers, and scholars alike. It will equip companies with tools to strengthen market positioning, satisfies consumer expectations by fostering trust and quality, and advances academic understanding of branding in emerging contexts.

### **1.6. Scope of the Study**

This study thus will investigate how brand awareness affects customer loyalty in the Habesha Beer market in Addis Ababa and how this relationship can be mediated by perceived quality. The research will expand in three dimensions: geographic, thematic, and methodological. The geographical focus of this study is based in Addis Ababa, Ethiopia, which is an attractive urban market for Habesha Beer

as it competes with both local and foreign brands, thus, making it a perfect place to look into consumer perceptions and consumer behavior.

From a thematic point of view, the study will discuss three important aspects - brand awareness, perceived quality, and loyalty. Brand awareness measures consumers awareness of the Habesha Beer brand. Perceived quality delves into consumers subjective assessment of the beer, factoring in its features and overall performance. Purchases from existing customers as well as positive word-of-mouth promotion are used to measure loyalty. Perceived quality establishes a mediating role, contributing to the understanding of the relation between brand awareness and brand loyalty.

From the methodological point of view, the current research is quantitative. Survey data will be collected from a representative sample of Habesha Beer consumers in Addis Ababa. It uses statistical techniques (including regression and mediation analyses) to find the relationships between all different variables. The current approach promises to deliver not only descriptive evidence, but also a causal understanding of the most salient market dynamics driving the growth of the Habesha Beer consumer in Ethiopia.

## **1.7. Definition of Key Terms**

- **Brand Awareness:** It describes how familiar people are with the unique characteristics of a brand. It reflects how well consumers can recognize what makes a brand stand out (Aaker, 1991).
- **Brand Recall:** This refers to a consumer's ability to remember a brand when they think about a product category. For example, when someone mentions Ethiopian beers, "Habesha Beer" might be the brand that comes to their mind (Keller, 2006).
- **Brand Recognition:** This means consumers can identify a brand when they encounter it. For instance, they might recognize Habesha Beer by its logo or packaging when they see it in a store (2013, 1993).
- **Top-of-Mind Awareness:** This is the concept of a brand being the first one that a person thinks about in a certain product category. For example, if you think of Ethiopian beers, and Habesha Beer is the first name that pops into your head, that's top-of-mind awareness (Aaker, 1991).
- **Brand Dominance:** It occurs when consumers only think of one brand in a specific product category, meaning it's the only one they remember (Aaker, 1991).

- Brand Knowledge: This involves the depth and breadth of information and understanding that people have about a brand. It includes details about the brand's history, values, and the products it offers (Keller, 2013).
- Brand Loyalty: This is when consumers consistently prefer one particular brand over others, resulting in them repeatedly buying that brand's products (Oliver, 1999).
- Perceived Quality: This refers to what consumers believe about the quality or superiority of a product or service compared to others available to them (Zeithaml, 1988).

## **1.8. Organization of the Study**

The study will be divided into five chapters. Chapter One introduces the research, outlining the problem, objectives, scope, and significance. Chapter Two reviews relevant literature, establishes theoretical foundations, and presents a conceptual framework. Chapter Three details the methodology, describing the methods, model specifications, and ethical considerations. Chapter Four analyzes the data, providing statistical results and interpretations. Chapter Five concludes the study with key findings, recommendations, and practical actions for experts and decision-makers.

## **CHAPTER TWO: REVIEW OF RELATED LITRATURE**

The objective of this chapter is to review literature in order to present theoretical and empirical insights on how brand awareness drives brand loyalty and perceived quality. This chapter reviews several academic literatures, and presents the conceptual framework of the study in the last.

### **2.1. Theoretical Review**

#### **2.1.1. Concepts of Brand**

The concept of a brand relates to more than just a name or symbol; it is a framework that holds a dynamic and fundamental position between consumers and professionals in modern commercial environments. According to Aaker (1991) a brand is a name, term, design, symbol, or any other feature that distinguishes one seller's product from those of others. This provides the brand's main purpose that makes something unique in a competitive market.

The strength of a brand is its uniqueness. In a crowded landscape of offerings, a strong brand serves as a lighthouse that guides consumers to perceived better options. Differentiation comes in the form of unique features, price competition, strategic distribution, and most importantly, the brand association, values and story (Panwar, 2024). Therefore, if a brand is able to convey its unique value proposition, it may catch the attention and loyalty of its target audience

Beyond differentiation, a strong brand is essential for building customer loyalty. Keller (2013) which ascribes that brands are indeed critical in developing long-term consumer relationships. A brand wins their customers trust & affinity by continuously providing quality products & services along with being available & engaging with them. This loyalty translates into repeat purchases, positive recommendations, and a lower chance of customers switching to competitors (Power, 2024). In other words, a strong customer base creates a big barrier to entry for new players.

Differentiation, when combined with loyalty, creates a powerful competitive advantage. By differentiating from competitors and establishing connections with your customers, though, a brand can gain a competitive advantage within the marketplace. This edge can lead to improved profit margins, increased market share, and strengthened resilience during economic downturn or disruptive market changes. At its core, a brand as defined by Aaker (1991,1996) and analyzed in further detail by Keller (2013), is so much more than a visual or word mark. It is a deliberate activity which fosters differentiation, develops loyalty, and leads to a persistent competitive advantage (Panwar, 2024).

### **2.1.2. Brand Awareness**

Brand awareness is very important in competitive market with lots of competition. “It’s the foundation of building a brand that people will find memorable and believe in. The first step to creating customer loyalty from people who are unaware of your brand.” (Latif, 2014) Disclosure: Data theorizing the why, the what, and the how of brand awareness and how they light up buying decisions creates successful long-term business.

Brand awareness is consciousness of a brand, which; means people can remember or recognize it. This is more than just being familiar with the name; it’s about knowing what a brand stands for, what sets it apart and how it positions itself in the market. This awareness is important when individuals make decisions regarding their purchases. Brand awareness is essential as it allows people to remember the name and be associated with good things, making them more likely to buy from that particular brand. This also increases sales and contributes to the development of the business. In short, brand awareness instills a sense of safety and trust in consumers, encouraging them to select a known brand over a strange and unfamiliar one.

Brand recall, brand recognition, TOMA (top-of-mind awareness), and deep brand understanding are the four key components of brand awareness. Brand recognition is when people can recognize a brand from things like its logo, slogan, or packaging. This phenomenon is known as Brand recall, where individuals recall a brand independently (Keller, 2008). That brand is considered TOMA when it becomes the first brand that comes to mind for a particular product. For example, when one thinks of online search engines, the first name that comes to mind is usually Google. Deep understanding means knowing what a brand stands for, what it is trying to achieve, and what it promises consumers.

These components mutually reinforce one another. Branding creates a mental connection that increases brand recall. Reinforcing brand understanding through positive customer experiences and clear marketing can elevate it to a top choice. This combined approach is essential for building repeat customers because once people get used to working with you or your brand, they will naturally want to stay with you (Nguyen, Barrett & Miller, 2011).

In general, brand awareness is more than a marketing goal; it is a prerequisite of long-lasting success in today’s competitive market. The key mechanism for that is through an understanding of the key elements of brand awareness, and an active investment into their key output of brand awareness through effective communications, a high-quality product offering, and developing authentic

relationships with their brand audience (Romaniuk & Sharp, 2004). These brands speak to consumers and translate into competitive advantage. When it comes down to it, brand awareness is the lifeblood for standing out and gaining loyal customers.

#### **2.1.2.1. Brand Recall**

In marketing, the relevance of brand recall is significant to business success. It indicates how well people can recall a particular brand on their own, when they're thinking about a product or have a particular need, without any assistance. The ease of remembering a brand indicates proximity to consumer minds. Suggests that a solid brand recall influences the brands individuals consider when making a purchase (Keller, 2006). All too often, one does not consider all the possibilities. This is a consideration set, a group of brands they can recall easily, dubbed an "evoked set." If a brand does not fall into this set, it is statistically less likely to be selected, no matter how good its product is. This means that businesses have to be memorable so that when consumers desire to buy something, they will think of them first (Keller, 2008).

Brand recall is more than being remembered. It is also how people perceive the quality and trustworthiness of the brand. This happens, according to Romaniuk & Sharp (2004), because when a brand is evoked easily, it is perceived as popular and dependable. The reason for this is that people (incorrectly) assume items which are easier to remember must be better. Well-remembered brands are perceived positively, which can increase sales, strengthen customer loyalty, and drive up the prices consumers are willing to pay.

Many factors help create a strong brand recall (Sharma, 2025). Some include good advertising, clear messaging and unique brand identity. Regularly showing ads is good to keep the brand name in people's minds, but frequency isn't the only thing that matters. For these ads to leave a significant impression, they must be creative and engaging. When it comes down to presentation, simple and clear messages make be it easier for people to remember what the brand carries. When messages are confusing, people can fail to associate the brand with what it sells. The brand comes to mind frequently through clear communication over time.

An organization may have a wonderful brand through unique products, innovative marketing or a different personality. This could mean having a catchy brand name, a distinctive look, or a passionate brand community. The objective is to make a brand unique and unforgettable so that it remains in the customers minds- (Kotler, Kartajaya & Setiawan, 2017).

To summarize, brand recall is important to make your business successful. It helps determine which brands people know and consider. It's all about effective advertising and clear messaging and brand uniqueness when it comes to strong brand recall. Focusing on these aspects can result in a brand recall which can help these companies to win in the market.

#### **2.1.2.2. Brand Recognition**

Brand recall is crucial for gauging branding strength. It means, whenever a person thinks of a specific product or need, they can automatically think of a brand name and remember it without being reminded of it. This indicates a deeper level of brand awareness than when the person must be reminded in order to recall the brand (Keller, 2013). On the other hand, if someone can recall a brand they have done so from their memory, demonstrating strong presence of the brand in their brain and therefore showing effectiveness of branding efforts over time.

The strategic importance of effective brand recall lies in its potential to influence purchasing decisions. Brands that pop into people's heads at the right time have a distinct edge. Thus, if considered making a purchase, one would be more likely to choose these brands. Research indicates that when there are high levels of brand recall, people often perceive the brand to be of higher quality and more trustworthy (Romaniuk & Sharp 2004). As a result, if people can easily recall a brand, they usually have a favourable opinion of that brand and are more likely to purchase it.

Building strong brand recall doesn't happen by accident. It is the outcome of intelligent and consistent brand management. These include the frequency with which routes see the brand's ads, the clarity and memorability of the brand's message, and the uniqueness of the brand's identity (Aaker, 1991). Brands that tell a compelling story, better define their product and use new tools of marketing can build better brand recall. This can result in a greater market share and more faithful customers.

#### **2.1.2.3. Top-of-Mind Awareness (TOMA)**

TOMA (Top of Mind Awareness) is when people think of a specific product and the first brand that comes to mind is yours. To attain this goal, companies exert considerable effort and invest significant capital. That is, the brand is visible, and resonates effectively with customers. TOMA is the highest level of brand recognition (Keller, 2013). It means that a brand is the first that springs to mind when people think about a certain kind of product. This instant recollection isn't happenstance; it's the result of ongoing activity to ensure the brand stays top of mind and interesting. TOMA is like having a

front-row seat in someone's mind. For instance, if they want a soft drink, Coca-Cola or Pepsi comes to mind, or if they want to shop for something online, they think of Amazon first - they are TOMA in their respective areas. There are many advantages to being in this top spot.

Yoo, Donthu & Lee (2000) note that TOMA is directly tied to some of the biggest benefits to a business: greater market share, stronger customer loyalty, and pricing power. Market share is, of course, larger when a brand is top of mind for purchasing something. When people are making a decision, they often choose the familiar brand, so TOMA is a significant advantage. Higher TOMA consequently leads to greater customer loyalty. They are not as likely to switch to other brands if they have a good experience with the one they were familiar with. This loyalty generates recurring revenue and reduces customer acquisition costs. Also, because TOMA brands are perceived as higher quality, they can often command a higher price, increasing profits.

In addition to these definitely positive effects, Chaudhuri & Holbrook (2021) further claim that TOMA strengthens the brand's immunity from other competitors. A brand with good TOMA can hold its ground when competitors come with tight marketing or new products. Consumers also often stick with what's familiar and trusted, even when new options come along. It aids the longevity of the brand. It can be tempting to focus only on TOMA, but that is not a full strategy. Although the top-of-the-mind consideration is great, in many cases being the first brand people think of isn't enough to drive success over time if people don't know more about the brand itself.

#### **2.1.2.4. Brand Knowledge**

Brand knowledge goes beyond recognizing or recalling a brand name. Understanding the DNA of the brand: the features, the benefits, and the brand positioning. With good brand knowledge, people know what promises the brand makes and how well it delivers on those promises. Keller (2013) explains why brand knowledge is so important to the extent that the nature of how consumers feel about a brand and whether they choose to buy is dependent on it. Consumers shop around and check what each brand can provide for them. Thus, they need to know not just the name but what about the brand makes it valuable.

Brand knowledge requires several strategies to be effective. These could be clear communication, dependability of product delivery and consistent messaging. Great communication tells stories that resonate with your audience and demonstrate why the brand is unique and better than its rivals. TV ads, online marketing, social media and public relations can all be used to raise awareness.

Communication, however, is not sufficient. The products or services should deliver on, or exceed the promises. If there is a gap, it can impair trust and brand knowledge. This establishes consistency in messaging across all platforms so that users form a clear understanding of the brand (Godey, et. al., 2016).

This lays the foundation for a long-term vision that is also integrated with a complete brand strategy. It is important to strive for Top-of-Mind Awareness (TOMA) while also establishing solid brand knowledge. And it's about putting the brand in front of consumers and teaching them about its unique attributes and advantages. This requires aligning the responsibilities of advertising, public relations, online marketing and customer experience. Furthermore, businesses need to check their strategy regularly and make changes as necessary to meet the new needs of a consumer and trends in the market. The brand strategy can therefore be summarised into two model strategies which are TOMA and strong brand knowledge (Netemeyer, et. al., 2004). Such awareness is the thing that provides the initial hook, and brand knowledge will ensure that hook keeps consumers coming back, making e-commerce purchases, maintaining loyalty, and ultimately thriving long term. Emphasis on both elements helps companies to develop well-known, respectable, trustworthy, and irreplaceable brands. Such a holistic approach is critical for a sustainable competitive advantage in the dynamic environment of today's market.

The simple point is that strong brands are grounded on brand recall, brand recognition, top-of-mind awareness, brand dominance and brand knowledge. Therefore, well versed with the above concepts, and the link between them, the businesses develop brand strategies that will result in preference, loyalty and sustained business success. Building a brand is not a destination; it is a journey of continuous improvement based on consumer learning, adaptation and never losing sight of providing value to customers. In short, those minds who can get a handle on these principles will be poised to not only build wealth but a legacy and thrive in the ever-changing landscape of business.

Therefore, brand awareness is not just a passive metric; it is an active and dynamic contributor to brand equity. In conclusion, with an insight to different facets and a focused investment with respect to marketing strategies little by little organisations can influence customer behaviour and eventually lead to building a solid but productive business. Providing brand awareness short shift is like building a house on sand and makes the brand susceptible to competitive pressures and a hindrance to long-term growth.

### 2.1.3. Perceived Quality

Perceived quality is anecdotal and refers to what every individual thinks about the quality of a product or service relative to other options available (Zeithaml, 1988). Prospects care less about specs or features and instead seek an emotional connection. This perception has a significant impact on people's purchasing behavior and contributes to building a strong and valuable brand. In this article, we will delve deeper into perceived quality, its impact on the value of brands, and how it affects buying behavior - by using some famous marketing studies and real-life experiences.

Consumers generally lack all the information about how a product is made or some technical details. Instead, they use various signs or cues, some of them are visible, while others are not, to determine quality. These cues are classified into intrinsic and extrinsic. Intrinsic cues originate in the product itself, like the contents of a food product, the stitching of garments, or the reliability of software. Extrinsic cues, in contrast, are relevant to the product but do not form a component of it; they include the brand name, price, packaging, advertising, and general reputation (Panwar,2024).

The importance of various cues may vary for different products, in different situations for buyers, and for different individuals. For example, in computing, someone with technical knowledge might know that the processor speed and amount of memory are relevant factors in the purchase decision. Conversely, the less tech-savvy may be guided more by the brand name, warranty, or expert reviewer articles. Intrinsic cues, such as the taste of food, are most significant because they are easily evaluated in advance, and extrinsic cues, such as price, delivery, etc., will play a more important role when the product is difficult to evaluate ahead of time - as is the case with services such as tourism and healthcare (Parasuraman, Zeithaml, & Berry, 1988).

Perceived quality is based on personal judgment which means to make comparison (Parasuraman, Zeithaml, & Berry, 1988). It is not an absolute measure of how good a product is by itself, but rather how it compares with alternatives. This comparative aspect is important because consumers compare products in terms of value relative to the prices they pay. So, a higher price might make consumers think the product is of better quality, for instance. But, if the quality doesn't feel equal to the price, customers could leave a bad review and move to a competitor.

This clearly establishes a correlation between how consumers perceive product quality and brand strength. "Perceived quality is an important dimension of a brand in its determination of customer loyalty, price premium and strong brand associations" (Keller, 2023). Strong customer loyalty is often

enjoyed by a brand with consistently high quality. It is thus recommended to be greater price, those perceived to be of better quality and more likely to buy again and be less likely to perceptions of quality become entwined with the brand, contributing to a favorable image and reputation (Keller, 2023).

There are multiple ways in which the perception of quality influences purchasing decisions. First, it helps consumers avoid making a bad choice. When customers are unsure about a product, the belief that it is of high quality will alleviate fears and provide reassurance (Keller, 2006). This becomes even more critical for high-value or high-risk performance items. Second, perceived quality affects customer satisfaction and recommendations. Customers that perceive some sort of quality about a product tend to be more satisfied with their purchase and share about it to others. Word-of-mouth is often more trusted than advertising, allowing for a brand's reputation and sales to be greatly improved by positive reviews. Third, high perceived quality motivates repeat purchases and increases the long-term value of each customer to the business (Jose, 2024).

For businesses, controlling perceived quality is essential. This covers everything from product design to marketing and customer service. The output must be what the customers expect never below or above that. Quality control, new product development, and ongoing improvements can help achieve this understanding that marketing drives home unique features and benefits (Godey, et. al., 2016); and customer service maintains the brand image and building loyalty. Dealing with perceived quality, though, comes with its own set of challenges. Consumer expectations are changing with technology and lifestyle changes, meaning brands need to stay aware and adjust their messaging to reflect these changing needs. Furthermore, online reviews and social media have complicated the ability to control a brand's image. Negative reviews spread at an alarming rate and can damage a brand's reputation and lower consumer trust (Azzahra,2023). Hence, brands need to participate in online conversations, reacting to bad comments instantly.

Indeed, perception of quality is an important variable when it comes to predicting buyer behavior and brand equity. It is based on diverse clues and influences significantly on buying behavior, brand loyalty, and referrals. In the modern cut-throat world, perceived quality management requires an integrated approach that involves the complete business line from design to delivery to service. When brands prove their value over time, they build on this equity, cultivate loyalty and achieve greater sustainable success.

#### **2.1.4. Brand Loyalty**

Building brand loyalty is essential for long-term sustainable business. It's more than just purchasing a product multiple times. It means that customers are highly loyal to a particular brand because they see the value in it, adore it, and have positive experiences with it consistently. Furthermore (Aaker 1996) adds that brand loyalty is a lasting desire to repurchase a preferred product or service consistently in the future, despite situational influences and marketing efforts having the potential to cause switching behavior. This loyalty helps protect a brand from rivals and brash marketing tactics.

However, Keller (2013) also mentions a number of advantages to brand loyalty. The biggest advantage is a cash flow. Loyal customers deliver stable revenue unlike clients who hunt for discounts and switch over small price differences. This provides a reliable revenue stream for businesses, enabling them to plan better, allocate resources efficiently, and invest in future growth. This steady income from loyal customers mitigates risks in volatile markets and against cut-throat competitors. Brand loyalty accounts for growth through word-of-mouth marketing as well. Ambarwati (2024) observes that a satisfied customer is the best sales force. Loyal customers tend to speak of the brand to others (friends, family, colleagues) and swap stories of good experiences with the brand, thus, creating faith among potential customers. This is considered more trustworthy and authentic than traditional ads and is a fraction of the price, providing much better ROI (return on investment).

The construction and maintenance of brand loyalty require diligence and careful planning (Reichheld, 2003). Brands need to follow through on their promise through a white glove level of customer service, and a community of customers around their brand. One of the most important factors is to understand customer needs, predict future demands and to resolve issues in advance. In a competitive marketplace packed with options, building real relationships and emotional connections with customers is vital to ensure brand loyalty. When actively involved with customers and deliver quality and consistent value, users become loyal advocates who drive business growth and success.

In essence, brand loyalty goes beyond just repeat purchases; it represents a strategic asset that contributes to financial stability, fuels organic growth through recommendations, and underpins the long-term health of the business. As such, one can create a loyal customer base by providing an experience that goes beyond what the contract entails by promoting an atmosphere of authenticity and customer service.

### **2.1.5. Links between Brand Awareness and Brand Loyalty**

Brand awareness and brand loyalty are two fundamental elements of a successful company that work closely together to support a long-term business. The second is brand awareness, which means how well people know and remember a brand. When a brand sounds familiar, people tend to trust it and refer to it when purchasing something. Brand loyalty, on the other hand, is when people repeatedly choose one brand over the others and support it over others. It means customers are highly loyal to the brand, and purchase from it time and again.

This article by Alkhawaldeh, Al-Salaymeh, Alshare & Eneizan (2017) highlights the links between these two concepts. Brand awareness is the solid ground to loyalty. A brand will be chosen by the individual again and again if the individual trusts a brand. The more familiar a consumer is with, and trusts, a brand, the better its chances of being on their radar when making any purchase decisions. When customers enjoy positive experiences with a brand, this trust is built and eventually, translates into strong loyalty. Thus, if people don't know a brand or perceive it as untrustworthy, they are less likely to purchase from it. A study conducted by Kotler found that consumers lean towards preferred, familiar brands. Often, people prefer to go with a known brand because that indicates safety as well as compatibility with their idea of a useful product. All this is reinforced through advertising, word-of-mouth and personal experiences. The more consumers see a brand, the more likely they are to stick with it, which translates into loyal customers.

For companies, this means consistent brand and the ability to have a regular stream of happy and loyal customers. This recipe for success translates to market performance over the long-run. However, you will have a tough time building loyalty without awareness. Awareness does not amount to much without loyalty. This means that brand awareness and loyalty are linked. This is because when consumers recognize and remember brands, they are more likely to trust and res buy from them repeatedly (Lavidge & Steiner, 1961). By reducing perceived risks, familiarity creates a preference which turns into loyalty.

### **2.1.6. Brand Awareness and Perceived Quality Relationship**

Brand awareness and perceived quality are distinct concepts, yet they are closely intertwined in consumer minds. The core of the relationship between brand awareness and perceived quality is the concept of perceived risk. For something as complex as a product that we are not familiar with, we will use the basic and available information that is available to us (brand awareness) to reduce the uncertainty of the quality of the product (Parashuraman, 1988). A familiar brand helps alleviate these fears. Just knowing the name of a brand can trigger memories of good experiences you may have had in the past, or give a brand credibility just because it has been around for such a long time. According to Zeithaml (2020), perceived quality is what an individual sees, and perceived quality is the comparison between what people expect against what they receive. With a well-known brand, however, there are higher expectations. When the brand delivers on these expectations or exceeds them, it reinforces the idea of superior quality.

The same "halo effect" helps build favorable associations with the brand. According to Godey, et. al. (2016), when a brand possesses a defined and strong identity, preserved through regular advertising and marketing, it affects the way individuals interpret product quality. If a brand's association is with positive traits - being innovative, socially responsible, providing excellent customer service, people tend to find its products exceptional, even if they haven't even used the product. This halo provides a shortcut for individuals who use the broader brand image as an indicator of quality.

Marketing is a vital component that bolsters these positive connections. Hence it sticks in the mind when such consistency is practiced through ads and packaging and also enhances the quality perception of the same (Keller, 2008). If a brand talks about using high-quality materials and testing extensively, for example, consumers will likely believe that its products are made from top-notch materials. Co-branding, co-marketing, or sponsoring events can increase brand awareness and associate the brand with positive characteristics, resulting in improved perceived quality. But one must understand that high awareness only partially leads to high perceived quality. If a large company is often on the low side of newsworthiness, and or acquires negative press, it has a liability from its ubiquity. A well-known brand, but one that's infamous for not caring about quality or ethical practices will probably have a bad time. Even awareness is not enough for sustainable success.

This means that brand awareness is important to how quality is perceived. Branding can lower perceived risk, create a halo effect and provide message consistency— all which can serve to make a

brand more identifiable, more often having better perceived quality. But the ability to convert relation into long-lasting loyalty is dependent on real quality products and ethical business practices.

### **2.1.7. Association of Perceived Quality with Brand Loyalty**

Brand loyalty goes beyond purchasing the same product over and over again; it's about developing a deep connection with a brand. The connection between you two is based on trust and satisfaction. The connection between perceived quality and brand loyalty begins with how consumers evaluate the products. According to Zeithaml (1988), consumers remain loyal to a brand only if they believe that it is able to deliver consistent quality. Quality for a group of persons is determined by the performance of the item, its dependability, and its features, design and worth. When products are consistently meeting or exceeding what is expected, trust builds in the brand. It gives them confidence that they would prefer opting for the same brand again as they consider it to be dependable.

When the perceived quality is high, customers not only buy again but also spread the good word and advocate. Happy customers spread the word, bringing in new customers. Reichheld (2003) found out that if a person recommends a brand based on quality, it drives growth and profits. Consumers who perceive a brand as highly reputable are more likely to share positive feedback with others (friends, family members, and co-workers). Such types of marketing are impactful because they are perceived as more authentic and reliable in comparison to conventional ads. For instance: if there is a customer who is always satisfied after using certain customer service, they will keep praising that to other customers, that customer will be a brand ambassador, that will drive new users to try the brand.

In summary, perceived quality is highly correlated with brand loyalty. Perceived quality forms the bricks and mortar upon which brand loyalty is built. In other words, when brands deliver consistent quality in the products and services, they provide they build rapport, lower perceived risk, and form enduring relationships with their customers. And repeat purchases lead to referrals, recommendations, and brand loyalty, which are essential for sustainable success in business.

### **2.1.8. Theoretical Framework**

They A theoretical framework is a structure that supports a research study by providing a foundation of existing theories and concepts. It integrates various theories to explain the relationships between variables in a study (Hair, Black, Babin, & Anderson, 2010). The theoretical framework for this study is grounded in the established relationships between brand awareness, perceived quality, and brand

loyalty. The framework suggests that brand awareness positively influences perceived quality. When consumers are familiar with a brand, they are more likely to perceive it as high quality due to its established reputation and consistent messaging (Keller, 2023). In turn, perceived quality positively affects brand loyalty, as consumers who perceive a brand as high quality are more likely to remain loyal and make repeat purchases (Zeithaml, 1988). Thus, brand awareness indirectly contributes to brand loyalty through its impact on perceived quality.

Several theories support the framework that examines the relationships between brand awareness, perceived quality, and brand loyalty. Here are the most relevant ones:

***Brand Equity Theory*** - The Brand Equity Theory was developed by Aaker (1991) and provides insight on how to create a strong brand. As Aaker explains, brand equity is the differential effect that brand knowledge has on consumer response to brand marketing. These components of brand equity include brand awareness, perceived quality, brand associations, and brand loyalty. According to Aaker's theory, these elements are interconnected, and together they add up to the strength of the brand. High brand awareness is associated with favourable attitudes and a high-quality perception which increases loyalty. Overseeing all facets of brand equity is a critical component of long-term success. Establishing superior performance dimensions through understanding these components can help businesses remain competitive, build strong brand loyalty, and sustain profitability over time.

***Hierarchy of Effects Model*** – The Hierarchy of Effects Model maps how a consumer goes from being aware of a brand to purchasing. The Aida model (Lavidge & Steiner, 1961) comprises the following six stages: awareness, knowledge, liking, preference, conviction and purchase. During the awareness stage, consumers learn about a brand via ads and promotions. This is very important for the identity of your brand. When they realize, they search for information on the features and benefits of the brand to get better insight. At the liking stage, consumers have positive attitudes, based on knowledge and impressions—often through positive experiences. This preference is developed based on perceived quality and satisfaction with the brand, leading to them starting to prefer the brand to competitors. In the next stage, the conviction, consumers become convinced that the brand is the best choice for them and trust that they are getting value. And when we reach the purchase stage, they buy the product and prove their loyalty by opting for the product over and over again. Understanding these stages helps marketers in developing strategies designed to build brand awareness, increase perceived quality, and create brand loyalty, but being successful in a competitive market.

**Expectancy-Value Theory** – Expectancy-Value Theory states that humans are driven in their actions by their expectations of attaining certain outcomes and the value placed on those outcomes. A theory proposed by Fishbein and Ajzen (1975), it is commonly used in fields like consumer behavior and marketing. According to brand management theory, people develop an expectation of a brand in accordance with their knowledge and perceived quality. These expectations result from our past experience, advertising, and other people’s opinions. When consumers perceive a brand to be of high quality, they tend to have particular expectations regarding its performance. Exceeding or meeting these expectations entrenches brand loyalty. Here’s how the theory functions in three steps:

**Awareness:** Advertising and promotions introduce people to a brand. Ingraining and recalling the brand creates expectations (Fishbein & Ajzen, 1975). **Evaluation:** Consumers assess the quality and value of a brand's products or services based on their experience and the information they've gathered. The effect of quality perception works positively on brand value. Meeting **Expectations:** People feel satisfied when expectations are met or exceeded and remain loyal to the brand. Typically, this loyalty takes the form of repeat purchases and being one of the brand advocates (Ajzen, 1991).

Long-term success comes from the consumers that tend to always want to be brand loyal because of their value of quality (Hill & Yoeung, 2024). It can be leveraged by marketers to maximize brand equity by getting customers familiarized with the brand's offerings, perceived quality, and ensuring brand loyalty for long term success. In conclusion, these insights provide us with a better understanding of how brand awareness, perceived quality, and brand loyalty interact with one another, affecting the actions taken by the consumer. Such studies that explore these relationships can provide important insights into brand management in the Ethiopian brewery sector.

## **2.2. Review of Empirical Studies**

An empirical studies review is an in-depth analysis of research that is based on observational data from the real world. This is where researchers collect and evaluate results from multiple studies to better understand a particular subject. This involves examining both number sets of evidence and written documents for the overall perspective of the case. Is to find patterns, relations, and gaps in current research, and to aid in enhanced knowledge of the topic. In particular, this review focuses on the relationship between brand awareness, brand loyalty, and perceived quality and identifies trends and future research opportunities.

### ***Effect of Brand Awareness on Brand Loyalty***

The correlation between brand awareness and brand loyalty has been proven through research that is repetitive over the years. In Jordan, Alkhaldeh (2017) examined the case of Islamic banks. Using 90 customers and PLS- SEM methods, the author found that brand awareness and brand commitment enhance brand loyalty. The firm relationship between commitment, awareness, and loyalty suggests that an increase in commitment from the customers to the brand would lead to an increase in their loyalty towards the brand if their awareness towards the brand is high.

A different study of Alkhaldeh, & Eneizan (2017) used the PLS approach to verify hypotheses on motorcycle purchasers in Vietnam by the data in RStudio. Findings from the study confirm that this brand awareness positively affects the brand image as well as loyalty, where brand image acts as a mediator between the two. An effective brand awareness program can thus help increase loyalty by improving the brand perception.

Citing Keller (2023), their study of consumer behavior and branding shows that the foundation of loyalty is creating brand awareness. Its impacts are felt in how consumers view brands and purchase decisions. It is typically the case that the higher the brand awareness, the higher the consumer preference and loyalty. This highlights the need for strategic brand awareness efforts for the sustainability of loyalty. Contemplate based on these findings the following hypothesis:

*H1a – Brand awareness has a positive and significant effect on the brand loyalty of Habesha Beer.*

### ***Effect of Brand Awareness and Perceived Quality***

Brand awareness and perceived quality are two key concepts in consumer research. This has been examined in the context of advertising expenditure and consumer surveys (Azzahra, et al. 2023). They discovered that advertising increases brand awareness but does little to affect perceived quality. This indicates that ads can boost brand awareness, but do little to alter perceptions of the quality.

Hill & Yoeung (2024), examines consumer behavior and brand perceptions using survey data. They discovered that actual quality has a very important influence on perceived quality, and that perceived quality also has an important influence on the associations the consumer has with the brand and the customers' loyalty. Brand awareness drives loyalty, indicating that perceived quality leads to higher awareness, which results in higher loyalty.

In his study on European beer brands, Azzahra et. al., (2023) found that brand awareness has an essential role in influencing perceived quality. Having more awareness of a brand makes a person

more likely to view its quality positively - leading to increased preference and loyalty. Together, these studies signal a need for strategic brand awareness to foster an increase in perceived quality and consequently loyalty. Thus, the hypothesized notion is:

*H1b – Brand awareness has a positive and significant effect on perceived quality of Habesha Beer.*

### ***Effect of Perceived Quality on Brand Loyalty***

Brand loyalty is greatly influenced by perceived quality, with extensive research conducted on this relationship. Netemeyer, et. al., (2004) conducted a study on perceived quality and social media marketing impact on brand loyalty: Study from Xiaomi smartphone users in Surabaya, Indonesia. They employed a SEM with data from 267 individuals. However, the results revealed that perceived quality has a strong impact on brand loyalty, both directly and indirectly, through brand trust and brand love. This means that in order to create loyalty, businesses must consider how consumers perceive the quality of a product; because whenever a customer is loyal to a brand, it is because he/she trusts the brand and has developed an emotional relationship with it.

Brakus, Schmitt & Zarantonello (2009) reported on their study to evaluate associations among brand experience, brand personality, brand prestige, brand relationship quality, and brand loyalty in the context of coffeehouse brands in the United States. The study, which analysed data from 309 coffeehouse patrons, found that perceived quality is a central factor in brand experience and prestige, which has a major impact on brand relationship quality and loyalty. This stress the importance of perceived quality in improving the entire brand experience and consumer loyalty.

Moreover, the perceived quality affects the (Aaker, 1991) the brand awareness, brand association, and brand loyalty. It explains how perceived quality influences consumer loyalty directly, but adds that it also reinforces brand awareness and associations, which are critical to keeping consumers loyal.

These studies especially emphasise the very importance role of perceived quality in developing and sustaining brand loyalty. Brands would do well to foster a perception of quality that extends beyond the point of sale, as that motivates repeat purchases. As a result, we propose:

*H1c –Brand loyalty Habesha Beer is positively and significantly influenced by perceived quality.*

### ***Perceived Quality as a Mediator Between Brand Awareness and Loyalty***

The Role of Brand Identity in Memgenesis: The Case of Youth Consumers in Indonesia by Azzahra, et. al., (2023). Through Smart - PLS 4.0 procedures, 100 responses were collected and analyzed,

revealing that perceived quality significantly impacts brand awareness, brand association, and loyalty. This indicates that perceived quality mediates the relationship between brand awareness and loyalty, implying higher perceived quality can enhance loyalty via increased brand awareness.

The second study was conducted by Alkhawaldeh, Al-Salaymeh, Alshare, and Eneizan (2017) which examined Islamic bank brands in the Mafraq Governorate, Jordan. Using PLS-SEM techniques on 90 customers, they found that brand awareness and commitment are strongly associated with brand loyalty, with brand commitment mediating the relationship. This suggests that perceived quality plays a fundamental role in connecting brand awareness with brand loyalty.

Netemeyer, et. al. (2004). explored the mediating effects of brand association, brand loyalty, brand image, and perceived quality on brand equity. The findings revealed that perceived quality partially mediates the relationship as perceived quality increases such effect of brand awareness on loyalty.

Overall, these studies emphasize the indispensable mediating role of perceived quality on the interaction between brand awareness and brand loyalty. To nurture consumer loyalty, Brands must work towards enhancing perceived quality. Hence a hypothesis the following:

*H1d - There is significant mediation of perceived quality in the relationship between brand awareness and brand loyalty for Habesha Beer.*

### **2.2.1. Research Gaps**

Several studies had been conducted on how brand awareness affects brand loyalty, but little research has been on the Ethiopian beer industry. Existing research tends to overlook some of the characteristics unique to this market such as culture, economy or consumer behavior. In the context of Ethiopian beer market, especially for popular brands like Habesha Beer, there is limited research on stable relationship between brand awareness and brand loyalty. Moreover, the impact of the perceived quality, which has been established as an important variable in the consumer decision-making process, on the perceived quality of Ethiopian beer companies has not been explored. Past research has highlighted the role of perceived quality in enhancing brand loyalty in various industries. Nevertheless, the studies have also blurred the line on perceived quality as a mediator to the relationship between both brand awareness and loyalty in Ethiopian beer consumption context.

Consequently, this study seeks to address these curious gaps by analysing the impact of brand awareness on brand loyalty in the beer sector with an emphasis placed on perceived quality role to

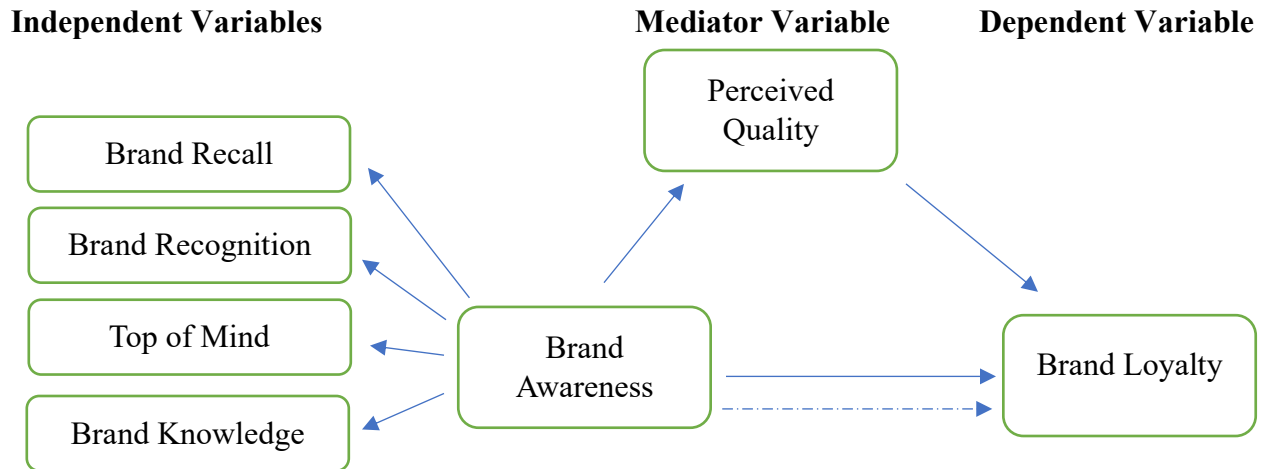
the relationship context. It is vitally important for breweries to grasp how brand awareness translates into future loyalty and how perceptions of quality play into this, so they can develop appropriate strategies to remain competitive and achieve long-term success. This will serve for the development of the Ethiopian beer market concentrating towards Habesha Beer and the underlying dynamics. This information will contribute to more general knowledge about consumer behaviour in this context and may guide the design of tailored marketing and product measures to drive strong brand loyalty. Through this study, we ultimately want to provide breweries with the tools necessary for succeeding in a competitive environment and creating sustainable growth.

## **2.3. Conceptual Framework and Hypothesis**

### **2.3.1. Conceptual Framework**

The conceptual framework for this study posits that brand awareness significantly influences perceived quality, which in turn affects brand loyalty. Adopting Andik & Rachma's (2021) model, brand awareness, the extent to which consumers are familiar with a brand's unique characteristics, is hypothesized to positively affect perceived quality. When consumers recognize and recall a brand, they are more likely to associate it with high quality due to its established reputation and consistent messaging. Perceived quality - the consumer's subjective judgment of a product's overall quality compared to alternatives, is crucial in fostering brand loyalty. Consumers who perceive a brand as high quality are more likely to remain loyal, making repeat purchases and advocating for the brand.

Thus, the framework suggests that brand awareness (in terms of brand recall, recognition, knowledge and top-of-mind) indirectly contributes to brand loyalty through its effect on perceived quality. This relationship underscores the importance of strategic brand awareness initiatives and quality management in cultivating long-term consumer loyalty, particularly in the competitive Ethiopian beer market. Figure 1 illustrates the relationship among brand awareness (independent variable), brand loyalty (dependent variable) through its effect on perceived quality (mediator). The arrows indicate the direct and indirect relationship among the variables.



(Source: Alkhawaldeh, Al-Salaymeh, Alshare, & Eneizan, 2017; Andik & Rachma, 2021)

Figure 1: Conceptual Framework

### 2.3.2. Hypothesis

Based on the conceptual framework, the following hypotheses are proposed:

- H1a: Brand awareness has a positive and significant effect on brand loyalty.
- H1b: Brand awareness has a positive and significant effect on perceived quality.
- H1c: Perceived quality has a positive and significant effect on brand loyalty.
- H1d: Perceived quality has a mediating role on the relationship between brand awareness and brand loyalty.

By reviewing both theoretical and empirical literature, this chapter provides a comprehensive foundation for understanding the relationships between brand awareness, perceived quality, and brand loyalty, setting the stage for the subsequent analysis in this study.

## CHAPTER THREE: RESEARCH METHODOLOGY

This chapter presents the scope of methodological procedures employed in this study. It includes research design, sample design procedures, data collection instruments, procedures, analysis techniques, reliability and validity test of data collection instrument and ethical considerations.

### 3.1. Research Approach

A quantitative research methodology was applied in this study along with statistical analysis of numerical data used to draw generalised conclusions about wider populations. More specifically, this study aims to add to the existing body of knowledge on the impact of brand awareness and perceived quality on brand loyalty in the context of the Habesha Beer in Addis Ababa. The quantitative method was well suited to the aims of the research, as it is concerned with investigating measurable relations between variables and determining significant patterns and trends.

A quantitative method was chosen to maintain objectivity and the opportunity for measurable and data-based insights, as opposed to subjective views. In developing the branding of Habesha Beer, for example, anecdotal evidence would not be enough on which to base decisions on. Instead, the advantage of statistical analysis is that it gives us a direct indication of how brand awareness and perceived quality impact consumer loyalty across the entire market.

Using quantitative techniques to survey a broad spectrum of consumers, the study uncovered patterns, such as the extent to which brand recognition affects repurchase behavior. This systematic procedure guarantees that results can be generalized to the customer population on the whole, and is not tied to a narrow range of individual experiences. Although qualitative studies have their appropriate level of analysis with respect to customer feelings, the ultimate goal of this research was to produce tangible, usable findings that alleviate branding ambiguities.

### 3.2. Research Design

An explanatory or causal research design was adopted in this study as it aimed to describe the variables of interest (the dimensions of brand equity namely, brand awareness, perceived quality, and brand loyalty), in the context of Habesha Beer, as well as examine the relationships amongst the constructs. Causal analysis involves the understanding of how the change in one or more variable(s) brings a change in the other variable. The role for this survey was to find the effects of brand awareness on brand loyalty and the mediating role of perceived quality in this relationship. This

justification is sound as this type of distinction enables to analyse the functional relationship between the variables in question and gain a greater understanding of how, and in what way, brand awareness leads to brand loyalty. This also adds to existing literature by using explanatory research design to measure the direct and indirect relationships of the impact of brand awareness on the loyalty of the brand, thereby providing the marketers and brand managers with specific directions for actions. This is significant when considering that this design is best for hypothesis testing and validating the concept, both which relate the need for findings to be strong, trustworthy and applicable to the wider market concept.

### **3.3. Target Population**

The target population of the study considered all Habesha Beer consumers in Addis Ababa, the capital city and economic center of Ethiopia. Beer consumption in this diverse and dynamic city, offers insight into how beer taste might vary among consumers, yet has also been reported to differ based on cultural traditions and social behaviors, making the setting for this study particularly ideal. Despite the beer's dramatic rise in popularity due to huge investment for marketing, there's no precise count available for how many people have consumed this beer. Nonetheless, this study was designed to be representative of the population given the desire for generalizable findings.

In this manner, the study examined different demographic characteristics of the consumers in the city to get a holistic view of the consumer behavior. Demographics such as age ranges, gender, income brackets, and consumption habits made it possible to capture the diversity of habits and interests of the population of the city. With this insight, it is positioned to highlight trends and key driving forces of brand loyalty, particularly in terms of emphasis on brand awareness and perceived quality as influential constructs of consumer choice.

Targeting this specific group of consumers underscores habits of the Habesha Beer market. Understanding what motivates loyalty among the urban consumers was critical as the brand navigates local and international competition in an evolving marketplace. In particular, it sought to explore the extent to which perceived quality mediates the relationship between brand awareness and loyalty across consumer segments.

### 3.4. Sample Size Determination

The sample size for the study was determined based on considerations of the population size, confidence level, margin of error as well as response variation expected. The sample size determination formula for unknown populations was applied as the actual number of people consuming Habesha Beer in Addis Ababa is not known. One commonly used formula for determining sample size for an unknown population is the Cochran formula for sample size determination.

$$n = \frac{Z^2 * P * Q}{e^2} = \frac{(1.96^2) * .05 * .05}{(0.05^2)} = 384$$

Where:

- $n$  is the sample size.
- $Z$  is the  $Z$ -value (the number of standard deviations from the mean corresponding to the desired confidence level).
- $P(q)$  is the estimated proportion of the population (if unknown, 0.5 is used as it provides the maximum sample size).
- $e$  is the margin of error (the desired level of precision).

Therefore, the sample size required for this study was approximately 384 respondents. This sample size provided a 95% confidence level with a 5% margin of error, ensuring that the findings were statistically significant and generalizable to the broader population of Habesha Beer consumers in Addis Ababa.

### 3.5. Sampling Technique

This study applied a practical sampling technique by randomly selecting three out of eleven sub-cities from the city administration. All sub-cities were chosen through a lottery method, ensuring equal selection probability. Once these sub-cities were identified, locations such as bars and restaurants - common places where Habesha Beer is consumed, were systematically sorted. During peak hours or events, the questionnaire was distributed to participants willing to share their thoughts on brand awareness, perceived quality, and brand loyalty.

Additionally, a non-probability sampling technique was used to collect data from Habesha Beer customers within the selected sub-cities. Convenience sampling was employed, recruiting respondents who were readily available and willing to participate (Hair et al., 2010). This approach proved effective in overcoming practical limitations associated with sampling a large and diverse population. By targeting high-traffic locations such as beer outlets, events, and social gatherings, the study ensured accessibility to relevant respondents. Although convenience sampling introduced potential biases and limitations in generalizability, it served as a valuable method for obtaining initial insights into consumer behavior.

### **3.6. Source of Data**

This study is mainly based on primary data obtained directly from Habesha Beer consumers in Addis Ababa. According to Kothari (2004), primary data is new data obtained for specific purposes. These data provide direct measures of consumer perceptions of brand awareness, perceived quality, and brand loyalty and represent primary measures for gleaning insights into the interplay between these constructs with respect to the study context. The data collection employed is primary data focused on the specific behavioral context of beer consumers. Such data are particularly useful to investigate the relationship between brand awareness and brand loyalty with perceived quality as a mediator. The use of original responses collected directly from participants in a survey is a strong technique for increasing the academic significance and practical implications of the findings.

### **3.7. Data Collection Instrument**

A self-administered standardized questionnaire is the selected main tool for data collection in this study. According to Saunders (2023), questionnaires can be a low-cost way of obtaining data, even if the target population is large and widely dispersed. The descriptive and inferential statistical analysis for the study is possible with structured questionnaires (Ahmed, 2015).

The questionnaire consists of four parts. The first part inquires for demographic information such as participants' gender, age, educational background, experience and consumption habit of Habesha Beer. The second section, adapted from Andik & Rachma (2021), examines statements concerning the independent variable (brand awareness), mediator (perceived quality), and dependent variable (brand loyalty). Responses are thus measured using a 5-point Likert scale, where 1 = strongly disagree and 5 = strongly agree.

A standardized questionnaire allows to obtain data more rapidly from a geographically diverse sample. Its organised structure encourages the in-depth discussion needed to explore the interplay between brand awareness and perceived quality, and how these factors shape brand loyalty. Shifting towards a multi-faceted approach, the tool provides a comprehensive set of demographic information as well as variables that link to the overarching research framework to allow for key analysis and insights that can be derived from such data.

### **3.8. Testing for Validity**

To ensure the accuracy and reliability of the study, various validity testing methods were employed, including content validity, construct validity, and criterion validity. Beforehand, the pilot test was conducted at Walia Beer Brand in Addis Ababa by contacting a total of 30 randomly selected beer consumers. Walia beer is one of the prominent beer brands known for strategic competitors of Habesha Beer brand in the local market.

Content validity was assessed through expert reviews and pilot testing to confirm that the measurement tool accurately captured all relevant constructs. Industry professionals and academic experts evaluated whether the instrument covered essential aspects of brand awareness, perceived quality, and brand loyalty. Additionally, a pilot study was conducted to refine questionnaire items, ensuring clarity, relevance, and comprehensiveness before full-scale data collection.

Construct validity was examined through correlation analysis, confirming that individual items were consistent with theoretical expectations. High inter-item correlations verified that questions accurately measured intended constructs, strengthening the internal consistency and validity of the study. Similarly, criterion validity was evaluated using predictive and concurrent validity assessments. Predictive validity measured how well the findings aligned with established brand loyalty trends, ensuring that brand awareness and perceived quality effectively predicted consumer loyalty behaviors. Concurrent validity was established by comparing results with existing industry benchmarks, ensuring alignment with known consumer patterns in the Habesha Beer market.

Through applying these rigorous validation techniques, the study ensured credibility, strong theoretical grounding, and applicability to real-world branding strategies.

### 3.9. Reliability Test

Reliability is the degree to which consecutive assessments of the same object produce the same results and is one of the key factors in the accuracy and dependability of a study (Bryman & Bell, 2013). The reliability of the instrument in this study was estimated using Cronbach's alpha, one of the popular internal consistency measures in social science research. Cronbach's alpha tests how closely question in a scale reflect similar responses. Despite there are different reliability tests, Cronbach's alpha is one of the prominent tests in social science research. It is commonly used as a measure of the internal consistency or reliability of a psychometric test score for a sample of examinees. Hence, according to Lombard (2010), Coefficients of .90 or greater are nearly always acceptable, .80 or greater is acceptable in most situations, and .70 may be appropriate in some studies for some indices.

Table 1. Reliability Test Results

	N	Cronbach's alpha
Brand Recall	4	.774
Brand Recognition	4	.703
Brand Awareness	4	.783
Top of Mind	4	.712
Perceived Quality	5	.782
Brand Loyalty	5	.748
Total	26	.904

Source: own survey, 2025

As shown in Table 1, results indicate the internal consistency reliability of all brand-related constructs at acceptable threshold levels. The average rating of the overall reliability of  $\alpha = .905$ ; which means a good consistency between all items showing that it was a very reliable instrument. Aspects of brand images also had acceptable reliability; Brand Awareness and Perceived Quality having among the highest reliability and further establishing the validity of consumer perception measurement. The reliability (as measured by Cronbach's Alpha) of Brand Recognition (BRG) was smallest (.703) and though acceptable, indicates some scope for improvement in the measurement of brand identification. In general, the results indicate that the instrument was successful in measuring brand awareness, recognition, perceived quality, and loyalty, thus making the study results reliable for additional analysis

### **3.10. Data Collection Procedure**

This study fulfilled academic requirements using an in-person data collection approach. Questionnaire distribution and data collection were conducted in accordance with previously defined sampling procedures and techniques. The first step involved identifying survey locations and seeking permission from management to conduct the study on their premises. Once approved, questionnaires were provided to willing respondents at convenient times to ensure minimal disruption to their daily activities. Accordingly, a total of 384 questionnaires were distributed to consumers at selected bars and restaurants across three randomly chosen sub-cities in Addis Ababa. Prior to completing the survey, volunteer respondents were informed about the study's purpose and provided full consent. This in-person data collection method enhanced response rates and ensured complete and accurate data collection from the target population. Through employing this structured approach, the study successfully gathered insights on how brand awareness influenced brand loyalty, considering the mediating effect of perceived quality. Ultimately, 384 responses were expected to support the study's objectives and findings.

### **3.11. Method Data Analysis & Presentation**

The quantitative data derived from the structured questionnaire was analyzed using descriptive and inferential statistical methods. The data was entered into SPSS software, with systematic coding applied to all variables to ensure accuracy and consistency in analysis. Exploratory Data Analysis (EDA) was conducted to generate descriptive statistics and investigate the relationships among key study variables.

Descriptive statistics, including frequency distributions, percentages, and mean scores, were computed to summarize the dataset, providing insights into respondent characteristics and overall trends. Following this, correlation analysis was performed to measure the strength of relationships among the study variables, using the Pearson correlation coefficient based on Hair et al. (2010). The coefficient values ranged from -1.00 to +1.00, where 0.00 indicated no association, and values closer to +1.00 or -1.00 suggested stronger positive or negative correlations.

Regression analysis was conducted after correlation analysis, to examine the predictive relationships among the study variables. Multiple linear regression analysis was employed to develop a mathematical model representing the relationships between independent and dependent variables (Kothari, 2004). Key assumption tests, including multicollinearity, homoscedasticity, linearity, and

normality tests, were carried out to confirm that the dataset satisfied the necessary criteria for valid model estimation.

The study specifically sought to examine the mediating effect of perceived quality on the relationship between brand awareness and brand loyalty. Employing this structured analytical approach helps the findings provided valuable insights into consumer behavior and brand perception within the Habesha Beer market in Addis Ababa. The model is specified as:

- Independent variable – Brand Awareness (how we operationalised it – brand recall, recognition, top of mind and brand knowledge)
- Dependent Variable – Brand Loyalty (measure by repeat purchase, word of mouth)
- Mediator – Perceived Quality (evaluated by quality characteristic, customer satisfaction, sensory attribute such as taste, color, odor)

To address the specific objectives of the study, the relationship between the variables were formulated as follows:

- The effect of brand awareness on brand loyalty:

$$BLOY = f(BAWR) = \beta_0 + \beta_1RCAL + \beta_2RCOG + \beta_3TOMA + \beta_4KNOW + e$$

- The effect of brand awareness on perceived quality:

$$PERQ = \beta_0 + \beta_1RCAL + \beta_2RCOG + \beta_3TOMA + \beta_4KNOW + e$$

- The effect of perceived quality on brand loyalty:

$$BLOY = \beta_0 + \beta_{PQ}PERQ + e$$

- The mediating role of perceived quality on the relationship between brand awareness and brand loyalty:

$$BLOY = \beta_0 + \beta_{BA}BAWR + \beta_{PQ}PERQ + e$$

Where:

BLOY = Brand Loyalty

PERQ = Perceived Quality

BAWR = Brand Awareness

RCAL = Brand Recall

RCOG = Brand Recognition

TOMA = Top of Mind Awareness

KNOW = Corporate values; e = error term

$\beta_0$  = constant, term;  $\beta_{1,2,3,4}$  = coefficient terms.

Based on the model specification, a multiple linear regression analysis was conducted to examine the link between brand awareness, loyalty and perceived quality in terms of coefficient of determination ( $R^2$  value), ANOVA Test (p-values), and the regression coefficient (beta coefficient) for the significance of each relationship. The empirical model applied was, thus, formulated as a multi-regression analysis model for testing the individual effect of each independent and mediator variable.

### **3.12. Ethical Considerations**

To ensure that responses remained unbiased and accurately reflected the participants' perspectives, the confidentiality of respondent information was upheld at the highest level, allowing participants to feel comfortable sharing their views. Additionally, the voluntariness of participation was carefully considered, ensuring that individuals took part in the study of their own free will.

The survey included descriptive questions regarding respondents' demographic profiles, but the data collected was not sufficient to personally identify any individual, maintaining privacy and anonymity. Participants were provided with comprehensive information about the study, enabling them to make informed decisions regarding their involvement.

Each questionnaire included details about the research objectives and contact information, allowing respondents to seek clarification or ask further questions if needed. Recognizing the possibility that some questions might be considered too sensitive, participants were given the option to skip any question they deemed uncomfortable to answer.

In general, ensuring strict adherence to ethical principles, including confidentiality, voluntary participation, informed consent, and data protection drives this study successfully meet all ethical standards required for responsible research.

## CHAPTER FOUR: DATA ANALYSIS AND INTERPRETTION

This chapter presents the data, results of the findings and their interpretations. The analyses were summarized under descriptive and inferential analysis. The descriptive part comprises the demographic profile and analysis of responses. Inferential statistics includes correlation test, assumption test for the linear regression model, and linear regression analysis.

### 4.1. Response Rate

Table 2: Response Rate

Questionnaire	Frequency	Percentage (%)
Total Distributed	384	100.0%
Unreturned Questionnaire	61	15.9%
Returned Questionnaire	323	84.1%
Response Errors	21	5.5%
Total Valid and Usable Questionnaires	302	78.6%

Source: Own Survey, 2025

The response rate provides critical insight into participant engagement and the reliability of collected data. A total of 384 questionnaires were distributed, ensuring broad outreach for data collection. Out of these, 323 (84.1%) were successfully returned, reflecting a strong response rate and participant interest. However, 61 questionnaires (15.9%) remained unreturned, potentially due to factors like respondent's lack of interest. Upon review, 21 responses (5.5%) contained errors, rendering them unsuitable for analysis. After excluding these, the study retained 302 valid and usable responses (78.6%), forming the final dataset for evaluation. While the high percentage of returned questionnaires reinforces the reliability of the data, the presence of response errors highlights the importance of clear survey design and effective instructions to minimize inaccuracies in future research. Overall, the response rate demonstrates substantial participant engagement, ensuring a foundation for data-driven conclusions.

### 4.2. General Information about the Respondents

This part is concerned with summarizing the personal information of the respondent. The description of the demographic information shows the makeup of the respondents in terms of gender, age, educational level, marital status, income, occupation and consumption habit.

Table 3: Summary of Demographic Profile

Category	Options	Frequency (N)	Percentage (%)
<b>Gender</b>	Male	198	65.6%
	Female	104	34.4%
<b>Age (Years)</b>	21 – 30	125	41.4%
	31 – 40	98	32.5%
	41 – 50	50	16.6%
	51 – 60	21	7.0%
	Others (specified)	8	2.5%
<b>Education Level</b>	High School	36	11.9%
	Diploma	84	27.8%
	Degree	125	41.4%
	Masters +	45	14.9%
	Others (specified)	12	4.0%
<b>Occupation</b>	Student	52	17.2%
	Employed	140	46.4%
	Self-employed	67	22.2%
	Unemployed	43	14.2%
<b>Income (ETB)</b>	Less than 10,000	77	25.5%
	10,001 – 20,000	96	31.8%
	20,001 – 30,000	78	25.8%
	Greater than 30,000	51	16.9%
<b>Marital Status</b>	Single	160	53.0%
	Married	110	36.4%
	Divorced	22	7.3%
	Widowed	10	3.3%
<b>Frequency of Consumption</b>	Daily	65	21.5%
	Weekly	108	35.8%
	Monthly	89	29.5%
	Rarely	40	13.2%

Table 3 shows the demographic characteristics of the respondents. Majority participants, 65.6% male (n=198), reported a strong gender preference for beer consumption. Female participants, 34.4% (104 individuals) of whom, whose engagement development was less significant, took part in the poll as well. Beer has mostly been consumed by men, but the population of female beer drinkers is a rising market segment. Advertising to recruit female drinkers, including branding focused on community and social aspects, could potentially be of use.

The 21–30 years age group (41.4%) was the most dominant one, showing that there were more consumers in adults. The second highest category, 31–40 years age (32.5%), adds to the evidence that beer is consumed predominantly among young to middle aged subjects. A decline in participation with age, indicative of diminishing involvement with beer as they become older, owing to either health reasons or changing lifestyles, was evident with the 41–50 (16.6%) and 51–60 (7.0%) age groups taking part to a lesser extent. Only a small percentage (2.5%) of the audience is listed as “Other”, older or out-of-box demographics, which again demonstrates that they are the younger consumers who continues to bring brand success and exposure.

Regarding their educational level and brand interactivity, with higher years of education, more exposure to brands and greater purchasing power is also correlated. Most of the respondents were having degree (41.4%), followed by diploma holders (27.781%). ‘Masters or above’ (14.9%) are more likely to have higher disposable incomes that allow them the indulgence of premium beers. Purchasing power could be implicated in consumption frequency, since 11.9% of participants only had high school education. Industry targeted marketing to the educated consumer may highlight premium positioning, quality and brand storytelling, building brand loyalty.

Job has the same direct effect on both the number of beers bought and the brand that gets the purchase. The high prevalence of an employed group (46.4%) among the 3 groups, implicating that workers as a group are consumed beer usually during social time and holidays. The self-employed (22.2%) reflects participation by entrepreneurs and business owners. The student (17.2%) segment constitutes emerging consumers who are probably affected by peer group and social environment. The jobless are unable to afford a lot of consumption (14.2%). Occupation related activities can be taken into account while building lifestyle profile to craft marketing strategies around these lifestyle pursuits, maximizing relevant engagement by effectively using promotions and events.

Spending behaviors and loyalty-building opportunities may also be influenced by income. The highest number of respondents earned 10,001–20,000 ETB (31.8%), followed by those who earned 20,001–30,000 ETB (25.8%) as well as less than 10,000 ETB (25.5%). Healthy consumers, possibly with higher purchasing power (above 30,000 ETB) that may be interested in premium products or frequent purchase, making up 16.9%. For example, beer brands can segment the pricing strategy, offer different types of packs and add value to their brand from a both budget and super premium consumers perspective.

Drinking and socialising with beer brands is affected by marriage stage. Such a large portion (53.0%) of singles in the sample indicates that drinking beer is likely to involve more social gathering, entertainment, and peer pressure. 36.4% of married people can incorporate drinking beer into family events or festivities. The divorced (7.3%) and widowed (3.3%) strata are small but might harbour niche patterns of engagement (e.g., occasional or selective drinking). Brands could niche down messaging and promotions that cultivate beer as a chance for singles to bond and drink while being single and at same time speaking to married consumers by delivering family centered stories.

Frequency of use speaks to the extent of engagement and commitment. The prevalence consumption of Habesha Beer at least once weekly (habitual preference, consumption but not too much) was 35.8%. (29.5%) are infrequent participants with the brand, perhaps for reasons of exposure or taste. The daily consumer group (21.5%) has strong brand loyalty, suggesting that Habesha Beer is closely associated in the consumers' everyday drinking activity. Those who are hardly consuming (13.2%) probably belong to potential consumers that need a more solid brand uplift to start engaging more. Through learning more about frequency driven attitudes and behaviors, brands can also work to refine their engagement strategies, efficacy of loyalty programs, and ways to capitalize on the type of behavior consumers care most about.

### **4.3. Brand Awareness, Perceived Quality and Brand Loyalty**

The descriptive analysis examines the connection between brand awareness, perceived quality, and brand loyalty within the Habesha Beer market in Addis Ababa. The study explores how brand recall, recognition, top-of-mind and brand knowledge influence consumer loyalty, with perceived quality acting as a mediating factor in shaping purchasing behavior and long-term commitment.

To assess these relationships comprehensively, respondents' agreement levels on various brand-related factors were measured using mean and standard deviation values. The mean scores indicate

the average perception of brand awareness and loyalty, categorized into different levels: strong disagreement (1.00–1.80), disagreement (1.81–2.60), neutral stance (2.61–3.40), agreement (3.41–4.20), and strong agreement (4.21–5.00). Standard deviation values highlight response variations, identifying areas where brand perception may need improvement.

This analytical approach helps pinpoint which aspects of brand awareness contribute to loyalty, allowing companies to refine marketing and product strategies accordingly. By identifying strengths and weaknesses, Habesha Beer can enhance its market positioning, reinforcing consumer engagement, satisfaction, and overall brand success.

**4.3.1. Brand Recall**

Table 4. Description of Brand Recall (n = 302)

Description	Mean	Std.
I can easily recall Habesha Beer when thinking about beer brands.	4.24	1.450
Habesha Beer is one of the first brands I think of when considering beer.	3.42	1.882
Habesha Beer comes to mind quickly when I think of beer.	3.52	1.789
I can remember Habesha Beer without any prompts.	4.22	1.455
<b>Grand Mean</b>	3.85	1.279

Source: Own Survey, 2025

Brand recall refers to a consumer's ability to remember and recognize a brand when thinking about a product category, significantly influencing purchasing decisions and long-term brand loyalty. In this regard, the results in table 4 indicate that Habesha Beer maintains strong recall among consumers, with variations in how quickly and instinctively it comes to mind.

More specifically, consumers demonstrate a high ability to recall Habesha Beer, as reflected in the statement "I can easily recall Habesha Beer when thinking about beer brands" (Mean 4.24, Std. 1.450). This suggests that the brand has successfully positioned itself within the beer industry, supported by strong advertising efforts and market visibility. Additionally, respondents indicated strong agreement with the ability to remember the brand without prompts (Mean 4.22, Std. 1.455). highlighting that Habesha Beer benefits from a strong brand identity, making it readily accessible in consumer memory.

Nonetheless, despite strong recall levels, some statements suggest Habesha Beer competes for recognition among other brands. For instance, "Habesha Beer is one of the first brands I think of when considering beer" (Mean 3.42, Std. 1.882) received a lower score than direct recall statements, implying that while the brand is familiar, other competitors may also share prominence in consumer minds. Similarly, the statement "Habesha Beer comes to mind quickly when I think of beer" (Mean 3.52, Std. 1.789) reinforces that while recall is significant, it may not be immediate for all consumers. The grand mean score of 3.85 (Std. 1.279) indicates strong brand familiarity, meaning that for most consumers, Habesha Beer is well associated with the beer category. However, the standard deviation values show some level of variance among respondents, indicating that brand recall strength differs based on exposure, purchasing habits, or competitive influence.

### 4.3.2. Brand Recognition

Table 5. Description of Brand Recognition (n = 302)

Description	Mean	Std.
I recognize Habesha Beer among other beer brands.	4.35	1.313
I can identify Habesha Beer by its packaging.	4.22	1.539
I can distinguish Habesha Beer from other brands when I see it.	4.36	1.442
I am familiar with the logo/ design of Habesha Beer.	3.80	1.638
<b>Grand Mean</b>	4.18	1.082

Source: Own Survey, 2025

Brand recognition is a crucial factor influencing consumer decision-making and market positioning. Habesha Beer exhibits a strong level of brand recognition, as reflected in the findings, table 5. The highest-rated aspect of recognition, identifying the beer at a glance, received a mean score of 4.36 (std. 1.442). This suggests that consumers can effortlessly distinguish Habesha Beer from competitors, reinforcing its visual identity and strong presence in the market. A similarly high rating of 4.35 (std. 1.313) for general recognition among beer brands shows established positioning of Habesha Beer, making it easily identifiable among alternatives. It indicates that the brand has successfully created an image - distinct, memorable, and strongly associated with beer consumption. Packaging plays an integral role in brand recognition, with respondents rating Habesha Beer's packaging cues at 4.22 (std. 1.539). Elements such as bottle shape, labeling design, and color schemes contribute significantly to consumer identification, allowing the beer to maintain a consistent

presence across different retail and hospitality settings. A well-defined and uniform packaging approach ensures continuity in consumer experience, reinforcing recognition and familiarity with the brand. However, while the overall brand is widely acknowledged, specific branding elements like the logo, are less embedded in consumer memory, as reflected in a mean score of 3.80 (std. 1.638). This suggests that while consumers recognize the beer itself, the brand’s distinctive logo and design may require stronger reinforcement in marketing efforts. Increasing the visibility of Habesha Beer’s branding through advertising, digital campaigns, and product placements could improve logo familiarity, ensuring deeper brand association and recall.

The grand mean of 4.18 (std. 1.082) confirms strong overall brand recognition, reinforcing the idea that Habesha Beer is well established within its market. However, variations in standard deviation values suggest differences in recognition strength among consumers, likely influenced by factors such as brand exposure, purchasing behavior, and competition. While many consumers strongly associate Habesha Beer with beer consumption, others may require additional marketing touchpoints to fully embed the brand in their memory. Expanding advertising strategies, sponsorship engagements, and experiential activations can further strengthen brand visibility, ensuring consistent consumer recall. Improving logo familiarity, refining packaging differentiation, and reinforcing brand messaging across multiple platforms can also contribute to solidifying Habesha Beer’s identity.

In summary, Habesha Beer demonstrates high brand recognition, particularly through product identification and packaging appeal. To maintain its competitive edge, the brand should focus on enhancing logo recognition, increasing exposure in key consumer markets, and reinforcing brand association through targeted campaigns.

### 4.3.3. Top of Mind Awareness

Table 6. Description of Top-of-Mind Awareness (n = 302)

Description	Mean	Std.
Habesha Beer is the most prominent beer brand in my mind.	2.74	1.637
Habesha Beer is the first brand that comes to mind when I think of beer.	4.19	1.362
Habesha Beer is my top choice when considering beer brands.	2.78	1.685
When someone mentions beer, I immediately think of Habesha Beer.	3.29	1.543
<b>Grand Mean</b>	3.25	1.215

Source: Own Survey, 2025

The findings in table 6 indicate that Habesha Beer holds a moderate presence in consumers' memory, but it does not dominate recall in the beer market. The statement "Habesha Beer is the first brand that comes to mind when I think of beer" scored the highest, with a mean of 4.19 (std. 1.362), suggesting that a significant number of respondents immediately associate the brand with beer. However, "Habesha Beer is the most prominent beer brand in my mind" received the lowest mean score at 2.74 (std. 1.637), indicating that while the brand is well-known, it does not necessarily hold the strongest recall position compared to competitors.

Preference-based awareness was also evaluated, with the statement "Habesha Beer is my top choice when considering beer brands" receiving a mean score of 2.78 (std. 1.685). This implies that despite the brand's recognition, consumers may consider other beer options before selecting Habesha Beer, implying the impact of competition on brand preference. Moreover, "when someone mentions beer, I immediately think of Habesha Beer" was rated at mean 3.29 (std. 1.543), showing moderate spontaneous recall, meaning the brand is recognized but does not consistently emerge as the dominant association in conversations about beer.

The grand mean of 3.25 (std. 1.215) confirms that Habesha Beer has moderate top-of-mind awareness, but the standard deviation values suggest variability in recall among consumers. This indicates that awareness levels differ based on brand exposure, purchasing habits, and market competition. To enhance its position, Habesha Beer could invest in advertising strategies that reinforce brand recall, ensuring it becomes a first-choice association when consumers think of beer. Promotional campaigns, brand activations, and influencer partnerships may further strengthen mental availability among target audiences.

#### 4.3.4. Brand Knowledge

Table 7. Description of Brand Knowledge (n = 302)

Description	Mean	Std.
I am aware of the flavour of Habesha Beer.	3.38	1.944
I know a lot about the history/ background of Habesha Beer.	2.69	1.972
I understand the unique qualities that differentiate the Beer from others.	3.28	1.895
I am knowledgeable about the quality of the product offered by Habesha Beer.	4.12	1.576
<b>Grand Mean</b>	3.37	1.358

Source: Own Survey, 2025

Referring to the respondents' brand knowledge, the results in table 7 show moderate awareness of Habesha Beer's characteristics, with some aspects more strongly recognized than others. More specifically, consumers displayed the highest familiarity with the quality of Habesha Beer (mean 4.12, std. 1.576), indicating that many respondents trust and acknowledge the beer's standard and taste profile. This strong perception of product quality reinforces the brand's credibility and competitive strength. However, awareness of the beer's flavor (mean 3.38, std. 1.944) received a lower rating, suggesting room for improvement in communicating taste attributes and sensory appeal.

Knowledge of Habesha Beer's unique differentiating qualities (mean 3.28, std. 1.895) indicates moderate understanding among consumers, meaning they recognize some distinctive brand features but may lack deeper familiarity. This suggests an opportunity to emphasize brand storytelling and differentiation strategies, ensuring consumers fully grasp what sets the brand apart in the market.

A key finding is the low awareness of the brand's history and background (mean 2.69, std. 1.972), indicating limited consumer understanding of its origins, cultural significance, or brand narrative. Strengthening educational marketing campaigns that highlight the heritage, brewing techniques, and brand evolution could help build stronger emotional connections with consumers.

The grand mean (3.37, std. 1.358) reflects moderate overall brand knowledge, but variation in standard deviation values suggests that awareness levels differ significantly among respondents. To bridge knowledge gaps, Habesha Beer can implement marketing initiatives focused on brand storytelling, product differentiation, and sensory experiences, ensuring consumers develop a deeper and more informed connection with the brand.

#### 4.3.5. Perceived Quality

Table 8. Description of Perceived Quality (n = 302)

Description	Mean	Std.
I believe Habesha Beer has high-quality attributes.	4.14	1.557
I am satisfied with the quality of Habesha Beer.	4.17	1.572
The taste of Habesha Beer meets my expectations.	4.47	1.208
The colour of Habesha Beer is appealing to me.	3.35	1.931
The Odor of Habesha Beer is pleasant.	4.35	1.340
<b>Grand Mean</b>	4.09	1.127

Source: Own Survey, 2025

Perceived quality plays a crucial role in shaping consumer satisfaction and long-term engagement with a brand. The findings in table 8 indicate that Habesha Beer is generally well-regarded, with consumers expressing strong approval regarding its taste and overall product attributes. Taste expectations received the highest rating, mean 4.47 (std. 1.208), suggesting that the beer aligns well with consumer preferences and delivers a satisfying drinking experience. The odor of Habesha Beer was also positively received, mean 4.35 (std. 1.340), indicating that its aroma contributes significantly to the overall sensory appeal, which is a key factor in repeat purchases and loyalty. Perception of quality was strong, with high-quality attributes (mean 4.14, std. 1.557) and satisfaction with product quality (mean 4.17, std. 1.572), reinforcing consumer confidence in the brand's consistency.

However, one area of relative weakness was the beer's color appeal, which mean scored 3.35 (std. 1.931). This suggests that while the beer is appreciated for its taste and aroma, its visual appeal may not be as striking or distinctive compared to other brands. Since product aesthetics influence consumer perceptions, improvements in packaging, branding, or communication regarding the beer's visual qualities could enhance overall satisfaction. The grand mean of 4.09 (std. 1.127) supports the conclusion that Habesha Beer is perceived as a high-quality product, though the variations indicate differing individual perceptions based on experience, expectations, and market competition.

Given these findings, strategic refinements could further enhance brand perception. Reinforcing taste and aroma qualities through advertising campaigns, consumer tasting events, and storytelling about the brewing process could solidify positive associations. Additionally, addressing the visual presentation of the beer - whether through packaging enhancements or improved marketing of its color attributes, could elevate consumer appreciation.

Leveraging strong satisfaction scores by highlighting quality through loyalty programs and engagement efforts could help maintain consumer trust. Overall, while Habesha Beer benefits from strong consumer approval, optimizing its sensory and visual appeal can further strengthen its competitive positioning in the beer market.

### 4.3.6. Brand Loyalty

Table 9. Description of Brand Loyalty (n = 302)

Description	Mean	Std.
I prefer to Habesha Beer over other beer brands	2.91	1.804
I frequently purchase Habesha Beer.	3.96	1.458
I would recommend Habesha Beer to my friends and family.	4.54	1.113
I speak positively about Habesha Beer to others.	4.47	1.208
I am loyal to Habesha Beer but rarely switch to other brands.	3.39	1.281
<b>Grand Mean</b>	3.85	.984

Source: Own Survey, 2025

As far as the overall brand loyalty of the respondents is concerned, as seen in figure 9, the findings suggest that while Habesha Beer enjoys strong advocacy and positive word-of-mouth, preference for the brand over competitors remains moderate. More specifically, Consumers demonstrated high willingness to recommend the beer to friends and family, reflected in the highest mean score of 4.54 (std. 1.113). This indicates that existing customers actively promote Habesha Beer, showing strong brand advocacy and credibility. Similarly, positive conversations about the brand were highly rated at 4.47 (1.208), suggesting that consumers speak favorably about their experiences, further reinforcing social influence and brand awareness.

Same vein, loyalty patterns were further assessed, with frequent purchases scoring mean 3.96 (std. 1.458), showing consistent engagement but not exclusivity. However, preference over other beer brands received a lower mean score of 2.91 (std. 1.804), indicating that while many consumers engage with Habesha Beer, they also explore alternative options. This suggests competition in brand preference, where factors such as pricing, availability, or personal taste preferences may influence purchasing decisions. Additionally, the statement on loyalty and rarely switching brands scored 3.39 (std. 1.281), implying that while some customers prefer Habesha Beer, brand commitment is not absolute, and switching to competitors is still common.

The grand mean of 3.85 (std. 0.984) confirms moderate brand loyalty, indicating high brand appreciation and advocacy, but room for improvement in exclusive consumer preference. The standard deviation values suggest variability, implying different consumer engagement levels based on personal experience, exposure, or brand alternatives.

## 4.4. Inferential Analysis

To achieve the study’s objectives, inferential statistical methods were employed, including correlation analysis, regression model assumption testing, and multiple linear regression analysis. The study examined the relationship between brand awareness, perceived quality, and brand loyalty within the Habesha Beer market in Addis Ababa. To do so, the correlation test assessed both the strength and direction of relationships among variables. Assumption tests ensured the collected data met the criteria for the specified multiple linear regression model, covering aspects such as multivariate normality, multicollinearity, linearity, and homoscedasticity. Ultimately, the multiple linear regression analysis provided key outputs, including the model summary, ANOVA test results, and beta coefficients. By analyzing these factors, the research aimed to understand how consumer perceptions and familiarity with the brand influence their purchasing behavior and long-term loyalty.

### 4.4.1. Correlational Test

The correlation coefficient serves as a valuable tool for summarizing the relationship between two variables, represented by a single number ranging from -1 to +1 (Field, 2005). A bivariate Pearson correlation test was applied to examine the relationship between each independent variable and the dependent variable using a two-tailed test of statistical significance, ensuring a 95% confidence level in the findings. Following the interpretation guidelines proposed by Field (2005, as cited by Hanan, 2019), the correlation coefficient ( $r$ ) indicates different levels of relationship strength: values between 0.1 and 0.29 signify a weak relationship, 0.3 to 0.49 indicate a moderate relationship, and values greater than 0.5 reflect a strong relationship between variables.

Table 10: Pearson Correlation Matrix

	BRC	BRG	TMA	BRK	PEQ	BRL
Brand Recall	1					
Brand Recognition	0.446**	1				
Brand Awareness	0.232**	0.247**	1			
Top of Mind Awareness	0.370**	0.557**	0.239**	1		
Perceived Quality	0.607**	0.468**	0.262**	0.440**	1	
Brand Loyalty	0.606**	0.615**	0.368**	0.559**	0.716**	1

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

Source: Own Survey, 2025

The correlation test results presented in Table 10 demonstrate the relationships between brand awareness, perceived quality, and brand loyalty within the Habesha Beer market in Addis Ababa. The statistically significant relationships at the 0.01 level (two-tailed) indicate that these factors are closely linked in influencing consumer perceptions and loyalty.

Brand recall (BRC) exhibits a strong positive correlation with perceived quality (PEQ) ( $r = 0.607$ ) and brand loyalty (BRL) ( $r = 0.606$ ), suggesting that as consumers become more familiar with the brand, their perception of its quality improves, leading to greater loyalty. Additionally, brand recognition (BRG) displays moderate-to-strong correlations with BRC ( $r = 0.446$ ), PEQ ( $r = 0.468$ ), and BRL ( $r = 0.615$ ), showing better recognition enhances trust and long-term consumer commitment.

Top-of-Mind Awareness (TMA) presents weaker yet statistically significant relations across variables, showing that while TMA contributes to brand perception, it does not strongly influence loyalty ( $r = 0.368$ ) compared to direct consumer interactions with the brand. Similarly, brand knowledge (BRK) exhibits moderate-to-strong correlations, especially with BRG ( $r = 0.557$ ), PEQ ( $r = 0.440$ ), and BRL ( $r = 0.559$ ), reinforcing the idea that consumers with greater knowledge of brand attributes tend to develop stronger connections.

Most notably, perceived quality (PEQ) has the strongest correlation with brand loyalty (BRL) ( $r = 0.716$ ). This emphasizes that when consumers perceive a brand to be of high quality, they are significantly more likely to remain loyal, reaffirming the critical role of perceived quality in securing long-term consumer commitment. These suggest that brand awareness and recognition play vital roles in shaping consumer engagement, but perceived quality is the most influential driver of brand loyalty.

#### **4.4.2. Assumption for Linear Regression Model Test**

Multiple regression is a statistical method used to evaluate how one or more predictor variables contribute to variations in a dependent variable. This technique operates under several key assumptions: a linear relationship between predictors and the outcome, absence of multicollinearity among independent variables, multivariate normal distribution of data, and homoscedasticity, which ensures consistent variance across residuals.

**Multicollinearity** – Multicollinearity refers to the absence of strong relations among predictor variables. When this assumption is violated, it can lead to unreliable regression results. Therefore,

before applying the Ordinary Least Squares (OLS) method, it is crucial to check for multicollinearity, which manifests as high correlation between independent variables.

To assess this issue, the Variance Inflation Factor (VIF) is commonly used, measuring the extent to which multicollinearity impacts the precision of regression estimates. A VIF exceeding 10 suggests a significant multicollinearity problem. Additionally, the Tolerance value, calculated as  $1/VIF$ , serves as another indicator - if it falls below 0.1, multicollinearity is likely present, whereas values above 0.1 indicate that the model is free from multicollinearity (Hair, 2004).

Table 11: Collinearity Diagnosis

Model		Collinearity Statistics	
		Tolerance	VIF
1	Brand Recall	.594	1.682
	Brand Recognition	.602	1.662
	Brand Awareness	.901	1.109
	Top of Mind Awareness	.642	1.556
	Perceived Quality	.557	1.797
a. Dependent Variable: Brand Loyalty			

Source: Own Survey, 2025

Referring Table -11, it was determined that there was no collinearity problem when the collinearity statistics analysis of variance inflation factors (VIF) value ranged from 1.109 to 1.797 and the tolerance value ranged from .557 to .901. This could be interpreted as confirmation that there were no multicollinearity issues, allowing regression analysis to proceed. That means, if the independent variables (including mediator in this case) in this model were highly related to one another, they would have been measuring the same thing or conveying the same information.

In conclusion, the low VIF values confirm the absence of severe multicollinearity, ensuring that each independent variable contributes uniquely to the regression analysis without significant overlap. This validates the reliability of the multiple linear regression model used in the study.

**Linearity Test** - In the Normal Probability Plot, it is expected that points would lie in a reasonably straight diagonal line from bottom left to top right. This would suggest no major deviations from normality. The study applied Normal P-P Plot of regression Standardized Residual (See Figure-2) to

test linearity. Since the points were symmetrically distributed around a diagonal line, linearity pattern was observed. Hence, the straight-line relationship between the residuals and the predicted dependent variable scores depicted that linearity was achieved.

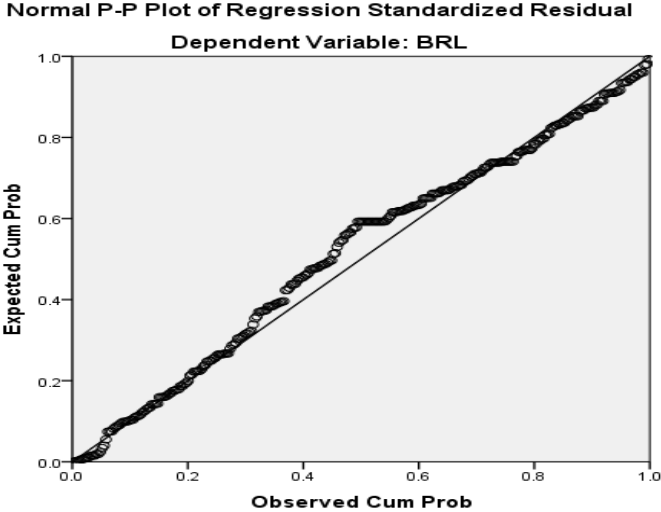


Figure 2: Scatter Plot of Residual Values

Homoscedasticity Test – The scatter plot is used to detect homoskedasticity (assumption of equal variance). It shows how the residual is spread along the range of predictors. It’s similar to residual vs fitted value plot except it uses standardized residual values. Ideally, there should be no discernible pattern in the plot. This would imply that errors are normally distributed. But, in case, if the plot shows any discernible pattern (probably a funnel shape), it would imply non-normal distribution of errors.

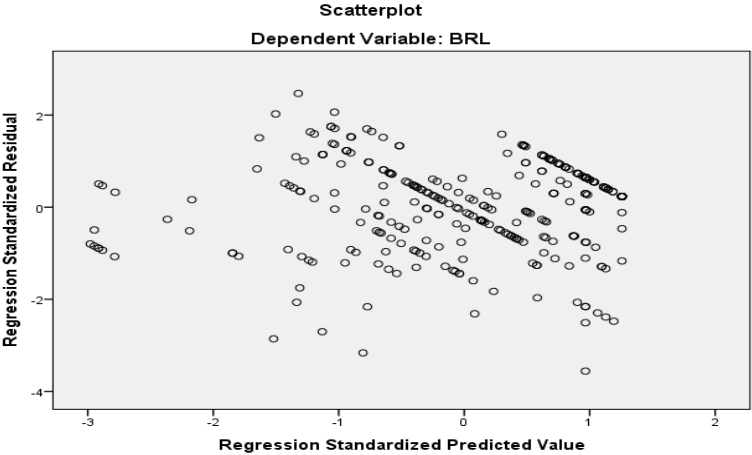
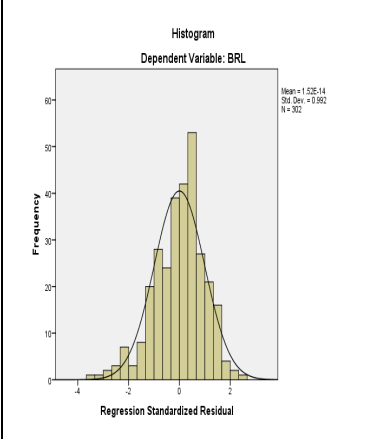


Figure 3. Scattered Plot for Homoscedasticity Test

Figure 3 depicts the y-axis (the residuals of the dependent variable - Brand Loyalty), standardized to have a mean of 0 and standard deviation of 1. The x-axis represents the predicted values of BRL, also standardized. The survey attempted to determine whether the graph resembled a random array of dots evenly distributed around zero because Testing for Homoscedasticity is based on the assumption in regression analysis that the residuals at each level of the predictor variable(s) have similar variances. This means that the spread of residuals should be fairly constant at each point along with any predictor variable. Thus, as seen in the figure 3, the annexed dots are randomly distributed along the reference line. It can be concluded that the assumption has been met.

**Multivariate Normality** - To check that a distribution of scores is normal, it needs to look at the values of kurtosis and Skewness. both of which have an associated standard error. The values of Skewness and kurtosis should be zero in a normal distribution.

Table 12: Normality Test

	Descriptive Statistics				
	N	Skewness		Kurtosis	
	Stat.	Stat.	Std. Error	Stat.	Std. Error
Brand Recall	292	-1.150	.143	-.331	.284
Brand Recognition	292	-.915	.143	-.416	.284
Brand Awareness	292	-.685	.143	-.889	.284
Top of Mind	292	-1.062	.143	-.765	.284
Perceived Quality	292	-.484	.143	-.905	.284
Brand Loyalty	292	-.428	.143	-.965	.284

Source: Own Survey, 2025

As presented in Table -12, all brand awareness, perceived quality and brand loyalty dimensions' z-scores skewed to the right side but was found to be within acceptable range (Skewness and Kurtosis within -2.0 to 2.0). Thus, it is pretty clear that the numeracy scores are negatively skewed, indicating a pile-up of scores on the right of the distribution and relatively peaky than the expected values.

#### 4.4.3. Regression Analysis

In this study, multiple linear regression analysis was employed to assess the relationship between brand awareness, perceived quality, and brand loyalty within the Habesha Beer market in Addis Ababa. These three key factors collectively influence consumer attitudes and determine the strength

of loyalty toward the brand. To quantify the effect of brand awareness and perceived quality on brand loyalty, unstandardized coefficients were examined, providing insights into the extent to which each predictor and mediator contribute to brand loyalty.

The regression model evaluates the direct and indirect effects of these variables, helping to understand how brand recall, recognition, top-of-mind awareness, brand knowledge and quality perception influence brand loyalty. Moreover, the analysis includes a model summary, ANOVA test results, and Beta coefficients, which help determine the significance and strength of these relationships. The empirical model that was applied followed a multi-regression analysis framework, allowing for a detailed investigation into the individual effects of each independent and mediator variables on dependent variable. To address the specific objectives of the study, the relationship between the variables was tested as follows:

#### ***The effect of brand awareness on brand loyalty***

The regression model demonstrates the extent to which brand awareness (brand recall, brand recognition, top-of-mind awareness, and brand knowledge) influences brand loyalty within the Habesha Beer market in Addis Ababa. The R-value of 0.751 indicates a strong relation between these predictors and brand loyalty, implying that these variables collectively explain a substantial portion of consumer loyalty to the brand. The R Square value of 0.563 reveals that 56.3% of the variation in brand loyalty can be accounted for by brand recall, brand recognition, top-of-mind awareness, and brand knowledge. The Adjusted R Square (0.562) confirms the reliability of this model by ensuring the predictors maintain their explanatory power even when adjusted for statistical variance. This statistically significant result emphasizes the pivotal role of brand familiarity in shaping customer retention and long-term engagement. (Ref: Appendix II).

The Analysis of Variance (ANOVA) test assesses whether the regression model is statistically significant. A significant test result indicates that the independent variables significantly contribute to explaining brand loyalty rather than occurring by chance. The results demonstrate a highly significant F-statistic = 387.032 ( $p < 0.001$ ), confirming that the model effectively predicts the outcomes. This strong significance level highlights that brand awareness variables are essential drivers of consumer loyalty, reinforcing the necessity of marketing strategies that prioritize consumer recognition and engagement. (Ref: Appendix II).

Table 13: Coefficients (Brand Awareness → Brand Loyalty)

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	.786	.160		4.903	.000
Brand Awareness	.838	.043	.751	19.673	.000

a. Dependent Variable: BRL

(Source: Own SPSS Output, 2025)

From the regression analysis, the result in table 13, indicates that brand awareness has a positive effect on brand loyalty. Brand awareness significantly influences brand loyalty as its Beta value (0.751) and unstandardized coefficient (B = 0.838) is high. This implies that the higher the brand awareness becomes, the more consumers are committed to the brand. Since the p-value < 0.05, hence this association is reliable and not by chance. Also, the t-statistics (19.673) supports the predictor to be a strong one as this shows that brand awareness influences customer loyalty predominantly. The intercept (B = 0.786) is positive, which suggests that there is a certain level of loyalty already in place, even in the absence of brand awareness. Substituting the results in the proposed model becomes:

$$BLOY = .786 + .838 BAWR \dots \dots \dots \text{Path A}$$

Therefore, based on this finding, the proposed hypothesis – H1 (brand awareness has a positive and significant effect on brand loyalty) is supported.

*The effect of brand awareness on perceived quality*

Table 14: Coefficients (Brand Awareness → Perceived Quality)

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	1.178	.217		5.420	.000
Brand Awareness	.796	.058	.623	13.797	.000

a. Dependent Variable: PEQ

(Source: Own SPSS Output, 2025)

The regression model, as shown in table 14, also indicates the brand awareness to be a significant predictor of perceived quality of Habesha Beer. It is discovered that brand awareness is a significant driver of consumer's perception among all these predictors which has high Standardized Beta value (0.623), unstandardized coefficient (B = 0.796) with positive relationship. This further implies that as brand familiarity increases, customers have a tendency to perceive the brand of high quality, which may result in developing trust and preference in favor of Habesha Beer. A high t-value (13.797) and a significant p-value (<0.001) also suggest the validity of this relationship, as it is not simply a surface element but acts as a psychological determinant on how consumers view product quality.

Positive constant (B = 1.178, p < 0.001) indicates that perceived quality to some extent exists on its own and it is strengthened significantly when brand awareness is higher. This means that positioning, marketing a good job are strong and effective communication can raise the perception quality and put Habesha Beer at a level playing field in the market. The stronger the brand presence, the higher the likelihood of consumers believe it is a high-quality product, and that can ultimately affect purchasing intentions, consumers' satisfaction, and long-term loyalty.

Substituting the result in the proposed model represents:

$$PEQ = 1.178 + .796 BAWR..... Path B$$

Same vein, thus, the proposed hypothesis – H2 (brand awareness has a positive and significant effect on perceived quality) is also supported.

***The effect of perceived quality on brand loyalty***

Table 15: Coefficients (Perceived Quality → Brand Awareness)

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	1.294	.149		8.659	.000
Perceived Quality	.625	.035	.716	17.762	.000

a. Dependent Variable: BLY

(Source: Own SPSS Output, 2025)

Table 15 shows the coefficients of the regression analysis. The result indicates that the strong and statistically significant effect of perceived quality on brand loyalty within the Habesha Beer market. The results demonstrate that perceived quality plays a critical role in shaping consumer loyalty, as indicated by the high standardized Beta value (0.716) and unstandardized coefficient (B = 0.625). This means that consumers who perceive Habesha Beer as a high-quality brand are significantly more likely to remain loyal to it. The large t-value (17.762) and significant (p<0.001) confirm the reliability of this relationship, ensuring that perceived quality is not merely a contributing factor but a dominant force in securing brand loyalty.

Furthermore, the positive constant (B = 1.294, p < 0.001) suggests that some level of loyalty exists independently of perceived quality, possibly due to familiarity, tradition, or emotional connections with the brand. However, the results clearly indicate that higher perceived quality significantly strengthens consumer commitment, reinforcing the importance of consistent product excellence, superior customer experiences, and strong brand messaging. Referring this finding the model is substituted by the results as:

$$BLOY = 1.294 + .625 BAWR..... Path C$$

Therefore, based on this finding, the proposed hypothesis – H3 (perceived quality has a positive and significant effect on brand loyalty) is supported.

***The mediating role of Perceived quality***

Table 16: Coefficients (Brand Awareness + Perceived Quality → Brand Loyalty)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.369	.148		2.498	.013
	Perceived Quality	.354	.037	.406	9.472	.000
	Brand Awareness	.555	.048	.498	11.615	.000
a. Dependent Variable: BLY						

(Source: Own SPSS Output, 2025)

Table 16 demonstrates the significant combined effect of brand awareness and perceived quality on brand loyalty. The results indicate that while both factors strongly influence consumer commitment, brand awareness has a slightly greater impact than perceived quality in fostering long-term loyalty.

More specifically, the standardized Beta value for brand awareness (0.498) is higher than that of perceived quality (0.406), suggesting that the extent to which consumers recognize, recall, and engage with the brand plays a critical role in their continued preference for it. Additionally, the t-values (11.615 for brand awareness and 9.472 for perceived quality) confirm the statistical significance of both factors, meaning that neither influence is negligible when shaping brand loyalty. The positive constant ( $B = 0.369$ ,  $p = 0.013$ ) indicates that some level of brand loyalty exists independently, but it is substantially strengthened when brand awareness and perceived quality improve. Substituting the results in proposed model is represented as:

$$\mathbf{BLOY = .354 + .555 BAWR + .354 PEQ \dots\dots\dots Path D}$$

These findings highlight the importance of a balanced marketing strategy that prioritizes consumer awareness and recognition while ensuring a consistently high-quality product to promote consumer brand loyalty.

**Mediation Analysis and Significance – Sobel Test**

The Sobel test was conducted to determine whether perceived quality acts as a mediator in the relationship between brand awareness and brand loyalty within the Habesha Beer. The analysis seeks to establish whether brand awareness influences brand loyalty directly or if its effect is transmitted through perceived quality.

The regression equations used in the mediation analysis are as follows:

- Path A:  $BLOY = 0.786 + 0.838 BAWR$  → Evaluates the direct effect of brand awareness on brand loyalty.
- Path B:  $PEQ = 1.178 + 0.796 BAWR$  → Determines how brand awareness influences perceived quality.
- Path C:  $BLOY = 1.294 + 0.625 BAWR$  → Examines the direct effect of brand awareness on brand loyalty without considering perceived quality as a mediator.
- Path D:  $BLOY = 0.354 + 0.555 BAWR + 0.354 PEQ$  → Examines the final mediation model, where both brand awareness and perceived quality influence brand loyalty.

***Sobel Test Interpretation*** - The results suggest that perceived quality serves as a significant mediator in the relationship between brand awareness and brand loyalty. The reduction in the B-coefficient for brand awareness (Path A → Path D) indicates that part of the effect of brand awareness on brand loyalty is transmitted through perceived quality. Specifically, comparing the coefficients:

- Path A ( $B = 0.838$ ) versus Path D ( $B = 0.555$ ) shows a decrease of 0.283 units, suggesting that perceived quality absorbs part of brand awareness's direct effect on loyalty.

***Significance of the Mediation Effect*** - To formally test whether perceived quality significantly mediates the relationship, the Sobel test was applied using the following calculations:

- Path B: Brand Awareness → Perceived Quality ( $B = 0.796$ ,  $S_{EB} = 0.058$ )
- Path C: Perceived Quality → Brand Loyalty ( $B = 0.354$ ,  $S_{EC} = 0.037$ )

Using an online Sobel test calculator, the Sobel test statistic ( $Z$ ) was found to be  $Z = 10.76$ , exceeding  $Z > 2.58$ , confirming that the mediation effect is highly significant at the 99% confidence level. This result supports the hypothesis H4 that states “perceived quality plays a mediating role in the relationship between brand awareness and brand loyalty”, suggesting that brand loyalty is not solely driven by awareness but also influenced by consumer perceptions of quality.

## 4.5. Discussion

Brand loyalty, one of the most significant components of sustainable competitive advantage, is a multidimensional concept affected by a variety of considerations. Of these, brand awareness and perceived quality have repeatedly been identified as pivotal drivers. This paper examines the complex interaction between the two factors and their combined influence on creating brand loyalty based on a review of the literature and a particular study taken in the case of the Habesha Beer market. The results of the study contribute to the literature on brand loyalty theories, as well as to the understanding of local market dynamics.

Some scholars and practitioners argue that both brand awareness and perceived quality are central elements in building brand loyalty (Wellner, 2010). It is also hinting to a possible hierarchy effect, showing brand awareness, relatively to Habesha Beer have a bit stronger effect on loyalty than perceived quality. This understanding underscores the importance of early brand recognition and familiarity to secure consumer loyalty. The suggestion is that consumers start with some familiarity with a brand, and then that feeds into their loyalty.

This view is supported by the work of Aaker (1991) who suggested that brand equity is build around the factors of brand awareness, perceived quality and brand loyalty. According to Aaker's framework, brand awareness is the first link in the continuity that leads consumers to brand preference and loyalty. Once customers know that a brand exists, perceived quality comes along to help reinforce trust and drive repeat business – the foundation of strong brand loyalty. Keller (1993), for example, focused on brand knowledge and associations in building brand equity. It stated that well-known brands with high quality perceptions would develop stronger emotional bond with consumers.

The market survey on Habesha Beer gives localized evidence to support Keller's perspective and the finding reveal that brand awareness and brand quality both are significant predictors of consumer loyalty. This is also supported by the study's use of a mediation analysis, which indicates that perceived quality significantly reinforces the effects between brand awareness and brand loyalty, meaning that it is not the recognition but also a consumer's assessment of quality.

Although there is substantial evidence for the conjoint influence of brand awareness and perceived quality, other views are available. A few researches suggest that perceived quality is the primary influence on brand loyalty, and it has even been shown to partially mediate the influence of brand awareness. For example, Yoo, Donthu & Lee (2000) argue that perceived quality has a greater impact

on consumer purchase behavior and relationship in a way that the goodwill a brand has accumulated from quality provides 'a foundation of long-term relationship beyond awareness stage' even when awareness may be significantly lower.

This perspective is in slight contrast to the results reported in the Habesha Beer market where brand awareness appears to have a slightly higher effect than perceived quality. The discrepancy may be due to unique market behavior in Korea. When consumer choice decisions are largely driven by cultural and market preferences, brand salience is likely to play an important role. Being a local brand, perhaps Habesha Beer is relishing from this experience, and consumers tend to like local brands since they culturally associate with them and they have known them for a long trust relationship.

Moreover, Buil, de Chernatony & Martínez (2013) argue that the brand awareness is not enough to secure customer loyalty. You need to get consumers to trust the brand and build perceptions of quality as well. These claims are supported by the Sobel test findings of the Habesha Beer market case. Perceived quality underlines the association between brand awareness and loyalty, the results of the Sobel test provide further confirmation that achieving a high awareness without strong quality perceptions possibly can be insufficient for ensuring long-term consumer loyalty.

Given the above results, the market analysis of the Habesha Beer indicates the necessity for an ambidextrous strategy. In order to successfully build up and keep brand loyalty, Habesha Beer should give priority to improving both the brand knowledge and strengthen consumer's perceptions of high product and services quality. Since brand awareness is slightly more affecting loyalty, marketing activities, promotion campaigns and responses to increase brand recall behavior must be the major concentrated areas. At the same time, as perceived quality has the critical mediating effect, the brand should attach more importance to satisfying consumers' demand of quality, creating active feedback channels with consumers, and making all efforts to forge a powerful brand image for quality.

In summary, this study contributes to the understanding of the relationship between brand awareness, perceived quality and brand loyalty. The results support the brand equity theories but also illustrate the special features of a local market. It also implies that in Habesha Beer market, brand awareness acts as a strong motivator of loyalty; perceived quality is also a supporting factor that reinforces consumer commitment and discourages brand-switching attitude. Ultimately, a combination strategy of branding and quality would be key to preserving and growing consumer loyalty.

## **CHAPTER FIVE: FINDINGS, CONCLUSIONS AND RECOMMENDATIONS**

In this chapter, the summary of major findings, their respective conclusions and possible recommendations are presented.

### **5.1. Summary of Major Findings**

The results from descriptive, correlation, and regression analyses provide insights into how brand awareness and perceived quality affect brand loyalty of beer consumers. Among the findings, the major ones are summarized as follow:

- Brand recall is strong, with high scores for spontaneous remembrance (Mean = 4.24) but moderate competition in mind-share (Mean = 3.42).
- Brand recognition is high, with consumers easily identifying Habesha Beer (Mean = 4.36) but logo familiarity requires reinforcement (Mean = 3.80).
- Top-of-Mind Awareness is moderate, with some consumers associating Habesha Beer with beer first (Mean = 4.19), but it is not the dominant beer brand in memory (Mean = 2.74).
- Brand knowledge impacts quality perception, as consumers rate Habesha Beer's product quality high (Mean = 4.12) but have limited knowledge of its background (Mean = 2.69).
- Taste and odor are primary loyalty drivers, with Mean = 4.47 (taste) and Mean = 4.35 (odor), indicating strong product appeal.
- Consumers actively recommend Habesha Beer (Mean = 4.54) and speak positively about it (Mean = 4.47), showing strong advocacy.
- Preference for Habesha Beer over competitors is moderate (Mean = 2.91), implying brand-switching behavior exists despite high satisfaction.
- Frequent purchases indicate engagement but not exclusivity (Mean = 3.96), suggesting opportunities to strengthen commitment through customer loyalty programs.
- Brand recall has also strong relationship with perceived quality ( $r = 0.607$ ) and brand loyalty ( $r = 0.606$ ) suggest that familiar brands are perceived as high-quality and earn stronger loyalty.
- Perceived quality has the strongest relation with brand loyalty ( $r = 0.716$ ), reinforcing that consumers remain loyal when they associate the brand with high quality.

- Brand recognition has moderate relationship with perceived quality ( $r = 0.468$ ) but showed strong relationship with brand loyalty ( $r = 0.615$ ) indicate that better brand recognition enhances trust and commitment.
- Strong relation between brand knowledge and brand loyalty ( $r = 0.559$ ) suggests that informed consumers are more likely to remain loyal.
- Weak but significant relationships is observed between Top-of-Mind Awareness and brand loyalty ( $r = 0.368$ ) confirms that familiarity contributes to brand loyalty, but less than direct brand engagement.
- Regression results confirm brand awareness is a strongest predictor of brand loyalty ( $B = 0.838$ ,  $p < 0.001$ ), confirming that familiarity plays a dominant role in fostering loyalty. Specifically, brand recognition indicates substantial but slightly lower influence on brand loyalty ( $B = 0.555$ ,  $p < 0.001$ ) compared to recall.
- Brand awareness significantly influences perceived quality ( $B = 0.796$ ,  $Beta = 0.623$ ,  $p < 0.001$ ), suggesting higher recognition fosters trust in product excellence.
- Perceived quality also significantly influences brand loyalty ( $B = 0.625$ ,  $p < 0.001$ ), showing quality perception is a key determinant of consumer commitment.
- While statistically significant, Top-of-Mind awareness' impact on loyalty is lower than direct brand engagement factors ( $B = 0.130$ ,  $p < 0.001$ ).
- Reduction in brand awareness's direct effect on brand loyalty after including perceived quality ( $B = 0.838 \rightarrow B = 0.555$ ) confirms quality perception absorbs part of brand awareness's influence. Sobel test results confirm significant mediation ( $Z = 10.76$ ,  $p < 0.001$ ), showing perceived quality strengthens the effect of brand awareness on brand loyalty.

## 5.2. Conclusion

Brand loyalty plays a pivotal role in ensuring market competitiveness, particularly in industries where consumer choices are shaped by brand familiarity and perceived quality. This study aimed to explore the relationship between brand awareness, perceived quality, and brand loyalty within the Habesha Beer market in Addis Ababa, seeking to understand how these factors interact to influence consumer commitment and long-term engagement.

Although previous studies have emphasized brand awareness and perceived quality as distinct determinants of loyalty, few have investigated the impact of these dimensions together in a specific market setting. The Ethiopian beer market is not extensively studied, and it is open for examining how consumers' familiarity and quality perception influences brand loyalty. This research investigates direct and indirect effects of brand awareness and perceived quality on loyalty through statistical analysis that selects the main drivers of consumer preference and commitment.

The results indicate that, while brand loyalty is driven by brand awareness, brand recall and recognition are important factors for the consumer involvement. Yet, perceived quality is found to be a significant mediating variable suggesting that awareness in itself is not enough to generate long-term loyalty. When consumers feel that a brand is a quality brand, trust and satisfaction become the important considerations for brand loyalty. Sensory properties like taste and aroma had strong and positive ratings which supported their influence on consumer perception. In comparison, repack could be improved on certain features like packaging and logo recognition, advocating that a strong visual branding could help in recall and discrimination. Even though the level of consumer advocacy for Habesha Beer is strong there is still a moderate purchase preference towards the brand in comparison to its competitors which implies that some resistance to total brand loyalty.

This study suggests, both theoretically and managerially, the significance of incorporating brand-related strategies which concerns both individual and collective levels. Brand Awareness is important for initial recognition, but perceived quality is must for trust and long-term loyalty. Increasing brand presence as well as product excellence is a two-pronged methodology for leadership in the market. Businesses in tight competition should prioritize such marketing methodologies, which generate recall and awareness while quality is not sacrificed and a stronger relationship to the customer achieved. It also extends brand equity theory and offers empirical evidence in the context of the Ethiopian beer market.

### 5.3. Recommendations

Below is a recommendation table that aligns with the study’s findings, explaining what needs to be addressed, why it is important, and who is responsible for implementing solutions.

<b>Finding</b>	<b>Why Address It?</b>	<b>Who is Responsible?</b>
Brand recall is strong, but competition influences memory	Enhancing recall ensures Habesha beer remains top-of-mind.	Marketing team & advertising strategists
Brand recognition is high, but logo familiarity needs reinforcement	Strengthening logo identity ensures visual differentiation.	Creative branding & design team
Top-of-mind awareness is moderate, indicating competitive positioning challenges	Increasing spontaneous brand association strengthens consumer preference.	Public relations & promotions team
Brand knowledge is weak, particularly regarding brand history	Awareness raises deeper emotional connections with the brand.	Content marketing & corporate communications
Perceived quality strongly drives loyalty, but sensory appeal could be enhanced	Improving product presentation (packaging & color) enhances consumer perception.	Product development & quality control
Brand loyalty is strong in recommendations but moderate in exclusive preference	Strengthening consumer commitment reduces brand-switching behavior.	Customer loyalty programs & relationship management
Perceived quality mediates brand awareness’s effect on loyalty	Prioritizing quality ensures awareness translates into trust.	Production, marketing, and quality assurance teams
Frequent purchases indicate engagement but not exclusivity	Rewarding repeat buyers reinforces brand preference.	Sales team & customer retention specialists
Advertising efforts need to reinforce brand uniqueness	Differentiation campaigns help solidify the Beer’s market presence.	Advertising & creative strategy teams
Packaging appeal has lower ratings, affecting perceived quality	Enhancing aesthetics can improve brand perception and desirability.	Packaging design & brand identity team
Loyalty program effectiveness needs improvement	Introducing exclusive benefits increases retention and brand value.	Customer loyalty and sales team

## **Limitations and Suggestion for Future Study**

While this study offers valuable insights into the relationship between brand awareness, perceived quality, and brand loyalty in beer market, several practical limitations should be considered. The research is limited to Addis Ababa, meaning the findings may not fully represent consumer behavior in other regions with different market dynamics. Besides, reliance on self-reported data introduces potential biases, as respondents may provide socially desirable answers or inaccurately recall their purchasing habits. The absence of competitive comparisons also restricts an understanding of how rival brands influence consumer choices. Furthermore, while perceived quality is identified as a mediator, other factors such as pricing strategies, advertising exposure, and cultural associations could play a role in shaping brand loyalty. Emotional connections with the brand were not extensively explored, despite their relevance in long-term consumer commitment. Lastly, implementing marketing strategies based on the findings may face challenges related to budget constraints, shifting consumer trends, and regulatory considerations. Future research should address these limitations through broader sampling, mixed-method approaches, competitive benchmarking, and longitudinal studies to provide a more comprehensive understanding of brand loyalty in emerging markets.

Future research should explore additional factors influencing brand loyalty, particularly in emerging markets. A longitudinal analysis could track how brand awareness and perceived quality evolve over time. Expanding the study to regional and international markets would provide broader insights into cultural influences on branding. Investigating emotional brand attachment, such as nostalgia and social associations, could clarify deeper loyalty drivers. Pricing strategies and promotions should also be examined to assess their role in moderating brand commitment. Comparative studies against rival brands would help identify unique strengths and areas for improvement. Lastly, incorporating qualitative methods, like consumer interviews and sentiment analysis, would offer richer perspectives on customer engagement.

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## Appendices

### Appendix – I Survey Questionnaire

**ADDIS ABABA UNIVERSITY**  
**COLLEGE OF BUSSINESS AND ECONOMICS**

Questionnaire to be filled by Consumers of Habesha Beer

**Dear Participant,**

I am excited to invite you to participate in my research study titled "**Linking Brand Awareness to Loyalty: The Mediating Role of Perceived Quality in Habesha Beer Market, Addis Ababa**". As a postgraduate student at Addis Ababa University, I am passionate about understanding how brand awareness influences brand loyalty, especially through the lens of perceived quality in the Habesha Beer market.

Your unique insights and experiences are crucial to this study, and your participation will help shape a deeper understanding of these dynamics. The questionnaire is designed to be quick and easy, taking just 15-20 minutes of your time. Plus, all your responses will be kept completely confidential and used solely for academic purposes. By participating, you'll be contributing to valuable academic research that could inform future marketing strategies and enhance consumer satisfaction in the beer industry. Your voice matters, and your input will make a significant difference!

If you have any questions or need more information, please don't hesitate to reach out to me at [meron.mengesha716@gmail.com](mailto:meron.mengesha716@gmail.com) or +251 935 54 07 32.

Thank you so much for considering this opportunity. Your participation is highly valued and appreciated!

Note: - No need of writing your name. Please, put "x" mark on your choice and please return the completed questionnaire in time.

Warm regards,

Meron Mengesha

Postgraduate Student

Addis Ababa University

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## General Information

Your Participation is Voluntary

Do not write your name on the Questionnaire

### I. Demographic Profile of Respondents

Direction: The following statements are about your personal information. Please write the necessary information on the blank space provided and, in the optional items, indicate your answer by putting a tick mark (x) in the box.

1. Sex             Male         Female
2. Age (Years)  21 – 30     31 – 40     41 – 50     51 – 60  
 Others, please specify .....
3. Education    High School     Diploma         Degree         Masters +  
 Other, please specify .....
4. Occupation    Student                       Employed                       Self-employed  
 Unemployed                       Retired
5. Income         ≤10,000     10,001 – 20,000     20,001 – 30,000         > 30,000
6. Marital Status                       Single                       Married                       Divorced  
 Widowed
7. Frequency     Daily         Weekly         Monthly         Rarely

**Part – II Questions related to brand awareness, perceived quality and brand loyalty**

- **Questionnaire:** Linking brand awareness to loyalty: the mediating role of perceived quality in Habesha Beer market, Addis Ababa
- **Instructions:** Please indicate your level of agreement with each statement by selecting the appropriate response.
- **Scale:** 1 - Strongly Disagree 2 - Disagree 3 - Neutral 4 - Agree 5 - Strongly Agree

1. Brand Awareness	Likert Scale				
<b>1.1 Brand Recall</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
1. I can easily recall Habesha Beer when thinking about beer brands.					
2. Habesha Beer is one of the first brands I think of when considering beer.					
3. I can remember Habesha Beer without any prompts.					
4. Habesha Beer comes to mind quickly when I think of beer.					
<b>1.2 Brand Recognition</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
1. I recognize Habesha Beer among other beer brands.					
2. I can identify Habesha Beer by its packaging.					
3. I can distinguish Habesha Beer from other brands when I see it.					
4. I am familiar with the logo and design of Habesha Beer.					
<b>1.3 Top of Mind Awareness</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
1. Habesha Beer is the first brand that comes to mind when I think of beer.					
2. When someone mentions beer, I immediately think of Habesha Beer.					
3. Habesha Beer is my top choice when considering beer brands.					
4. Habesha Beer is the most prominent beer brand in my mind.					
<b>1.4 Brand Knowledge</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
1. I am knowledgeable about the different products offered by Habesha Beer.					
2. I know a lot about the history and background of Habesha Beer.					
3. I am aware of the various Flavors and types of Habesha Beer.					
4. I understand the unique qualities that differentiate Habesha Beer from other brands.					

Instructions: Please indicate your level of agreement with each statement by selecting the appropriate response.

- **Scale:** 1 - Strongly Disagree 2 - Disagree 3 - Neutral 4 - Agree 5 - Strongly Agree

2. Perceived Quality	1	2	3	4	5
1. I believe Habesha Beer has high-quality attributes.					
2. I am satisfied with the quality of Habesha Beer.					
3. The taste of Habesha Beer meets my expectations.					
4. The colour of Habesha Beer is appealing to me.					
5. The Odor of Habesha Beer is pleasant.					

**Instructions:** Please indicate your level of agreement with each statement by selecting the appropriate response.

- **Scale:** 1 - Strongly Disagree 2 - Disagree 3 - Neutral 4 - Agree 5 - Strongly Agree

3. Brand Loyalty	1	2	3	4	5
1. I frequently purchase Habesha Beer.					
2. I would recommend Habesha Beer to my friends and family.					
3. I speak positively about Habesha Beer to others.					
4. I prefer Habesha Beer over other beer brands.					
5. I am loyal to Habesha Beer and rarely switch to other brands.					

**Many Thanks for Your Valued Time!!!**

Appendix II – SPSS Output

**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.762 <sup>a</sup>	.580	.574	.64196

a. Predictors: (Constant), BRK, TMA, BRC, BRG

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

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	169.033	4	42.258	102.542	.000 <sup>b</sup>
	Residual	122.396	297	.412		
	Total	291.429	301			

a. Dependent Variable: BRL

b. Predictors: (Constant), BRK, TMA, BRC, BRG

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

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.721	.168		4.300	.000
	BRC	.273	.033	.355	8.263	.000
	BRG	.264	.044	.290	6.066	.000
	TMA	.130	.032	.160	4.058	.000
	BRK	.165	.033	.228	4.945	.000

a. Dependent Variable: BRL

**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.751 <sup>a</sup>	.563	.562	.65130

a. Predictors: (Constant), BAWR

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

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	164.174	1	164.174	387.032	.000 <sup>b</sup>
	Residual	127.256	300	.424		
	Total	291.429	301			

a. Dependent Variable: BRL

b. Predictors: (Constant), BAWR

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

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.786	.160		4.903	.000
	BAWR	.838	.043	.751	19.673	.000

a. Dependent Variable: BRL

**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.716 <sup>a</sup>	.513	.511	.68810

a. Predictors: (Constant), PEQ

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

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	149.384	1	149.384	315.500	.000 <sup>b</sup>
	Residual	142.045	300	.473		
	Total	291.429	301			

a. Dependent Variable: BRL

b. Predictors: (Constant), PEQ

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

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.294	.149		8.659	.000
	PEQ	.625	.035	.716	17.762	.000

a. Dependent Variable: BRL

**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.815 <sup>a</sup>	.664	.662	.57216

a. Predictors: (Constant), BAWR, PEQ

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

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	193.546	2	96.773	295.607	.000 <sup>b</sup>
	Residual	97.884	299	.327		
	Total	291.429	301			

a. Dependent Variable: BRL

b. Predictors: (Constant), BAWR, PEQ

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

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.369	.148		2.498	.013
	PEQ	.354	.037	.406	9.472	.000
	BAWR	.555	.048	.498	11.615	.000

a. Dependent Variable: BRL

**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.818 <sup>a</sup>	.669	.663	.57082

a. Predictors: (Constant), PEQ, TMA, BRK, BRG, BRC

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

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	194.983	5	38.997	119.683	.000 <sup>b</sup>
	Residual	96.446	296	.326		
	Total	291.429	301			

a. Dependent Variable: BRL

b. Predictors: (Constant), PEQ, TMA, BRK, BRG, BRC

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

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.310	.156		1.988	.048
	BRC	.131	.033	.171	3.936	.000
	BRG	.209	.039	.230	5.341	.000
	TMA	.104	.029	.129	3.650	.000
	BRK	.117	.030	.161	3.871	.000
	PEQ	.349	.039	.400	8.924	.000

a. Dependent Variable: BRL

**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.623 <sup>a</sup>	.388	.386	.88269

a. Predictors: (Constant), BAWR

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

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	148.309	1	148.309	190.351	.000 <sup>b</sup>
	Residual	233.740	300	.779		
	Total	382.049	301			

a. Dependent Variable: PEQ

b. Predictors: (Constant), BAWR

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

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.178	.217		5.420	.000
	BAWR	.796	.058	.623	13.797	.000

a. Dependent Variable: PEQ

**Correlations**

		BRC	BRG	TMA	BRK	PEQ	BRL
BRC	Pearson Correlation	1	.446**	.232**	.370**	.607**	.606**
	Sig. (2-tailed)		.000	.000	.000	.000	.000
	N	302	302	302	302	302	302
BRG	Pearson Correlation	.446**	1	.247**	.557**	.468**	.615**
	Sig. (2-tailed)	.000		.000	.000	.000	.000
	N	302	302	302	302	302	302
TMA	Pearson Correlation	.232**	.247**	1	.239**	.262**	.368**
	Sig. (2-tailed)	.000	.000		.000	.000	.000
	N	302	302	302	302	302	302
BRK	Pearson Correlation	.370**	.557**	.239**	1	.440**	.559**
	Sig. (2-tailed)	.000	.000	.000		.000	.000
	N	302	302	302	302	302	302
PEQ	Pearson Correlation	.607**	.468**	.262**	.440**	1	.716**
	Sig. (2-tailed)	.000	.000	.000	.000		.000
	N	302	302	302	302	302	302
BRL	Pearson Correlation	.606**	.615**	.368**	.559**	.716**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	
	N	302	302	302	302	302	302

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

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

Model	Collinearity Statistics	
	Tolerance	VIF
1 BRC	.594	1.682
BRG	.602	1.662
TMA	.901	1.109
BRK	.642	1.556
PEQ	.557	1.797

a. Dependent Variable: BRL

**Descriptive Statistics**

	N	Skewness		Kurtosis	
	Statistic	Statistic	Std. Error	Statistic	Std. Error
BRC	302	-.734	.140	-.619	.280
BRG	302	-1.339	.140	1.020	.280
TMA	302	.068	.140	-1.172	.280
BRK	302	-.345	.140	-1.054	.280
PEQ	302	-1.097	.140	.248	.280
BRL	302	-.869	.140	.574	.280
Valid N (listwise)	302				

