



ADDIS ABABA UNIVERSITY
SCHOOL OF COMMERCE

Determinants of Brand loyalty in the Brewery industry
The Case of St.George Brewery

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Addis Ababa

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brewery industry: - The Case of St.George
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By

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OF COMMERCE

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industry: - The Case of St.George brewery

DEPARTMENT OF MARKETING MANAGEMNT

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Declaration

I, Sofanit Kebede Beyene, declare that this research paper entitled “Determinants of Brand loyalty in the brewery industry. The Case of St.George Brewery” is my original work and has not been used by others for any other requirements in any other university and all sources of information in the study have been appropriately acknowledged.

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Abstract

The general objective of this study is to examine the major factors that determine brand loyalty of St.George beer market in Ethiopia; in addition it explores the major determinants of beer brand loyalty. The research type is a casual research type. A total of 136 questionnaires were distributed from this 132 were collected and used for the analysis purpose. Random or non-probability sampling was used for sampling procedure. Both primary and secondary data are the source of data collection. Data collection method took place in Addis Ababa lideta sub city specifically behind St.George Brewery and in front of Balcha Hospital. The research instrument is structured questioner.

The findings of the mean value revealed that the Perceived quality shows the highest score (mean=3.88). The correlation analysis revealed that coefficients that show the five determinants measuring brand loyalty are all positively related with brand loyalty within the range of 0.606-0.865, all are significant at $p<0.01$ level. A 57.2% change of the dependent variable (Brand loyalty) on the St.George brand are explained by the dependent variables which are included in the regression model.

As found after analysis customer satisfaction, perceived quality, brand experience and brand switching cost are important factors influencing the St.George consumers. The beer marketing practitioners should take into consideration that the important determinant of brand loyalty of St.George consumers (i.e perceived quality). The positive feeling and experience which they have obtained after consuming the beer also influence their brand loyalty. Therefore St.George Brewery in order to build a strong brand loyalty among St.George consumers should try to promote beer with better taste, pleasant experience and higher quality.

Keywords: Brand loyalty, Brand experience, perceived quality, brand image, customer satisfaction and brand switching cost

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Chapter one

Introduction

This chapter begins with the Background of the research area and it further includes the background of the organization, problem description, research questions, objective, hypothesis significance, limitation and scope, definition of terms and organization of the research.

1.1 Background of the study

Brand loyalty has been one of the biggest issues in the world of marketing over the last years (Kotler, 1994). Added focus was put on the topic once marketers realized that brand loyalty has a strong connection to higher sales volumes, gives companies the option of premium pricing, and encourages the customers to search for their preferred brand (Giddens & Hoffman, 2002). Another factor contributing to stronger focus on brand loyalty is the fact that it can cost up to six times as much to win over a new customer as it costs to retain an already existing one (Rosenberg & Czepiel, 1984). Loyal brand users do not only spread positive word of mouth about their preferred brand as well as defending the brand in arguments and discussions, but also often talk competitive brands down. This suggests that brand loyalty to one brand not only influence the brand positively, but also possibly have negative effects on the competitive brands (Raju et al., 2009).

According to Aaker (1991), Brand equity is the assets or liabilities of a brand that are linked to its name and symbol, and add to or subtract from a given product or service. The four parts that create brand equity are brand loyalty, brand awareness, perceived quality, and brand associations. When it comes to brand loyalty, Aaker also states that just by having an intensely loyal customer base, even though it is relatively small, can create significant brand equity for a firm. Aaker finally brings to notice that as well as being one of the dimensions of brand equity, brand loyalty is also affected by brand equity, creating an interrelationship. Kandampully (1998) argued that the ability of a company to create, maintain and expand a large and loyal customer

base over a longer time period is crucial to attain and sustain a premium position in the market. This suggests that in any business sector, customer loyalty can contribute to a major competitive advantage. Brand loyalty has been studied from various different angles for countless product categories. Despite this fact, not much research has been done on the Beer sector.

Beer is the world's most widely consumed alcoholic beverage, and is the third-most popular drink overall after water and tea. It is thought by some to be the oldest fermented beverage. (Arnold, 2005).

Beer consumption is often seen as one revealing proxy to measurement the strength of economic activity. If beer sales are high and rising, incomes and economic activity are presumably growing while the reverse should be true if beer sales are flat or falling.

According to Habesha Breweries S.C (2009), today the brewing industry is a global business, consisting of several dominant multinational companies and many thousands of smaller producers ranging from brew pubs to regional breweries. More than 133 billion liters (35 billion gallons) are sold per year (the equivalent of a cube 510 meters on a side), producing total global revenues of \$294.5 Billion (£147.7 billion) in 2006. Over the past five years, the beer industry has seen a trend towards consumers trading up to more expensive beers. As a result, premium beer now constitutes 17.9% of total beer sales.

In Ethiopia, growth in beer consumption has been a surprisingly high, 24 percent per year according to Access Capital estimates, roughly double the average annual growth rate in real GDP. Even after such a rapid increase, however, per capita beer consumption in Ethiopia is still only a fraction of the level seen in other African countries.

Ethiopia's beer industry is currently includes foreign investors and local private producer. By far the most dominant brewer is BGI Ethiopia/Castel Group (owned by French investors and producer of the popular *Giorgis* brand), with a market share of around 50 percent nation-wide and even higher in Addis Ababa.

Looking ahead, beer demand is without doubt expected to continue its rapid growth, in line with rising population levels, favorable demographics, continued economic growth, and a

gradual convergence of consumption levels towards those of neighboring countries, access capital projects that beer consumption will rise by around 15 percent per year in the coming years, a volume growth that can comfortably support several new beer producing factories in the next five year period even after accounting for the expansion plans of existing firms.

The market share of the major breweries has shown significant shifts over the years reflecting promotional activities, production innovations, and consumer preferences. Until 2004/2005, Meta was the leading brewery having the lion's share of the market, followed by Dashen and BGI Ethiopia respectively. However, due to the aforementioned factors, market shares have shifted markedly in recent years. Access Capital's estimate of current market shares, based on discussions with leading industry experts and data from selected breweries, shows that, BGI claims almost half of the country's market share and has a particularly dominant share (of nearly two-thirds) in Addis Ababa.

Ethiopia's beer industry has seen many activities in recent years including a surge in demand associated with increased urbanization, population growth, and rising incomes. From a level of just 1.0 million hectoliters in 2003/04, beer production has risen to nearly 3.1 million hectoliters by 2008/09, giving an estimated average growth of around 24 percent per year. The industry at present includes the following breweries, namely Meta Abo Brewery under Diageo brewery with 14% market share, Dashen brewery with 18% market share, Harar and Bedele breweries together under Heineken brewery have 18 % market share and BGI Ethiopia with the biggest 50% market share.

1.2 Background about the organization

The 80 Years Young Brewery (St. George Beer)

The founder of St. George Brewery, according to some sources, is Mussie Dawit Hale who is Belgian. Other sources say that the brewery was owned and operated by a German company. In fact, the brewery was set up by Mussie Dawit Hale who lately sold it to a German company. Some 43 years ago, the Ethiopian Trade Journal, (Vol 1, No 1, August 1960) wrote: The St. George Brewery is situated near the Mexico Square. Addis Ababa, and occupies an area

of 20,000 Sq.Meters of land. The beer factory was started 36 years ago by a German Company and an Ethiopian Company took it over six years ago.

The brewery stands right on the same site it was 80 years ago. During the time of the last Emperor it was known as Marshal Smut Street. It was fairly big building and it started off as one of the pioneers in Ethiopia's industrial development.

Slowly, but steadily, St. George Brewery continued to grow. In the early years of the 1970's the brewery was in good shape in terms of its machineries, physical buildings, vehicles, marketing network, etc. It even had planned to open a new plant for the production of soft drinks. The name of the Brewery was also changed as Pilsner Brewery and later as Addis Ababa Brewery.

Most of the workers showed great commitment and dedication to keep the Brewery and its product popular. The role played by the Brewery was significant in supporting and promoting other social activities including St. George Sport Club.

St. George Brewery is once again privatized. The factory is now owned by BGI, an internationally acclaimed Brewing Company that operates in many countries. It has excellent reputation in producing quality beer and brought St. George to the same standard. Today, St. George is the oldest beer in Ethiopia and is certainly also the youngest with the fresh dynamism.

BGI Ethiopia is the first brewery that introduced international draught beer brand, the Castel Draught Beer. Amber Beer, a deep reddish brown color beer, is also the first on the Ethiopian market and is distinct from other beer brands in terms of quality and ingredients. At six percent, its alcoholic content is higher than other draught beers.

BGI Ethiopia also bought a 25 percent share worth 75 million birr in Raya Brewery. According to Raya's plan, in the first phase of its operation, it intends to produce 300,000 hecto liters of beer per annum.

1.3 Statement of the problem

Keller (2003) argues that branding is the main element which induces preference and purchase intentions in many industries. In the Ethiopian beer industry branding becomes an important focus area for the different breweries. This can be observed by taking note of the recent marketing and brand building efforts which are being undertaken by breweries. This is also an indication that the companies are implementing a customer oriented marketing strategies.

Even though the applicability is subjected to difference, in most industries around the world model designed by (Aaker,1996) which links brand awareness, perceived quality, brand association, and brand loyalty has gain wide acceptance.

This study tried to bridge the gaps that exist due to the lack of theoretical evidence that links the effect of the major brand loyalty determinants of St.George consumers. Since there are, no significant researches done which could inform the relative importance of Determinants of brand loyalty in building a strong brand loyalty in the Ethiopian beer industry, this study was done in such a way that it could give an insight to the major determinants that will have an impact on brand loyalty. This study did also measure the Different variables which determine brand loyalty of St.George consumers so that the breweries will have a clear understanding of the market that they are participating in.

The inspiration behind this study is the fact that the Ethiopia brewery industry is characterized by rapid growing and highly competitive as a variety of new beer brands has entered the market (access capital report). Consumers find it easy to switch between beer brands and marketers of beer brands are therefore challenged to cultivate a brand relationship between there consumers and there brand so as to ensure brand loyalty. Thus, this study tried to examine the various factors affecting Bran loyalty.

1.4 Research questions

In line with the statement of the problem the following research questions are raised to be answered. The following are the research questions that are formulated:

- 1 .What are the various kinds of St.George beer consumers?
2. What are the various determinant factors that affect beer brand loyalty?
3. What are the major factors that lead to brand preference?
4. Which of the determinants have a significant impact on brand loyalty?

1.5 Objective of the study

The General and specific objective of the study are addressed here under.

1.5.1 General objective

- The main objective of this study is to examine the major factors that determine brand loyalty of St. George beer market in Ethiopia.

1.5.2 Specific objective

The specific objective of the study is to:

- Identify the consumer profile of St.George Brewery
- Explore the various determinants of beer brand loyalty
- Identify the major determinants of brand loyalty
- To ascertain which determinant factors have impact on brand loyalty

1.6 Hypothesis of the study

H1: Customer satisfaction has significant positive impact on Brand loyalty.

H2: Brand image has significant positive impact on Brand loyalty.

H3: Brand switching cost has significant positive impact on Brand loyalty.

H4: Perceived quality has significant positive impact on Brand loyalty.

H5: Brand experience has significant positive impact on Brand loyalty.

1.7 Significance of the study

The research tried to closely study what factors lead to brand loyalty, which determinant factors highly affect Brand loyalty and also attempted to examine the factors that lead to brand preference of St.George breweries. Adding this research would give the student researcher an opportunity to learn research undertakings moreover it will also help other researchers who would like to make an in-depth study in similar areas. Furthermore it will help the company management to evidently identify determinant factors that lead to brand loyalty.

1.8 Limitation of the study

There were different obstacles to complete this research; the major limitations that occurred include:

Since the research is somewhat vast, it requires long time to conduct deep, fruitful and outstanding research finding. Nevertheless with the limited time given to conduct the study the researcher could not carry out at desired level and manner, Secondly due to financial constraints, the researcher forced to take small sample size and should only focus on specific variables only. Thirdly the non cooperative behaviors of the respondents in filling up the questionnaires at that Time were major limitations.

1.9 Scope of the study

The findings of the research would be more fruitful if it were conducted on a wider scale. Thus, the research is delimited to see the effect of brand loyalty on St. George beer consumers in ADDIS ABABA, lideta sub city only.

1.10 Definition of terms

This section will focus on defining the central concepts of this study. In previous research these concepts have been defined in a variety of ways, often contradicting one another. The definitions presented here have drawn from diverse studies and have been modified to suit the purposes of this study.

Beer: is an alcoholic beverage produced by the saccharification of starch and fermentation of the resulting sugar. The starch and saccharification enzymes are often derived from malted cereal grains; most commonly malted barley and malted. Wikipedia

Brand: A brand can be defined as a distinguishing name and/or symbol, intended to identify a product or producer. (Aaker, 1991).

Brand loyalty: A deeply held commitment to re-buy or re-patronize a preferred product/service consistently in the future, causing a repetitive same brand or same brand-set purchasing, despite situational influences and marketing efforts having the potential to cause switching behavior (Son K, et al., 2010, p. 131).

Customer satisfaction: customer's psychological response to his/her or her positive evaluation of the consumption outcome in relation to his/her expectation (Paurav Shukla (2004, p. 85).

Perceived Quality: Perceived quality is the associations and behaviors of the consumers that lead branded products to obtain higher volumes and margins than those that would be obtained without the brand. Defined by the Marketing Science Institute (Leuthesser, 1988)

Brand Image: Brand images are usually evoked by asking consumers the first words/images that come to their mind when a certain brand is mentioned (sometimes called "top of mind"). When responses are highly variable, non-forthcoming, or refer to non-image attributes such as cost, it is an indicator of a weak brand image. An online writing (Brand image, www.asiamarketresearch.com/glossary/brandimage.html)

Brand switching cost: The Switching cost can be both financial and non financial cost. It can be transactional cost, learning cost, and emotional cost, social and psychological cost. It can also be time and effort spent to search an alternative brand. (Burnham & Mahajan, 2003).

Brand Experience: Brand experience is a subjective and internal response as well as a behavioral response when an individual customer's encounter with the product, shopping and consumption Brakus & Zarantonello (2009).

1.11. Organization of the research report

This study organized into five chapters. The five chapters comprised of; Introduction, Review of Related Literature, Research Design & Methodology, Results and Discussion and, Summary, conclusions & recommendations.

The first chapter provides Background of the research area and it further includes the background of the organization, problem description, research questions, objective, significance, limitation, and scope, definition of terms and organization of the research.

Chapter two covers relevant literature related to the topics and sub topics, this involves theoretical frame work. Furthermore conceptual framework of the study is presented.

Chapter three sections composes research design, sampling design, sources of data, data collection method, Research instrument, data analysis method, validity and reliability and ethical consideration will be discussed.

Chapter four gives an overview of the empirical findings based on the questionnaire survey. It presents the results in graphical presentation or charts where necessary and it discusses each question.

Finally chapter five comprise of three sections which include summary findings, conclusions, and recommendations.

Chapter two

Review of literature review

In this chapter, relevant literature related to the following topics and sub topics are reviewed, this provides an insight to the readers about the theoretical view of the topic under study. In addition conceptual framework of this study is presented at the end of this chapter.

2.1 Theoretical framework

2.1.1 Concept of Branding

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

There are numerous definitions of a brand; different scholars provide their own explanation towards the meaning of a brand. According to Czinkota & Ronkainen (1999), the word Brand is a trademark or distinctive name identifying a product or a manufacturer. It refers a name, term, symbol, sign or design used by a firm to differentiate its offerings from those of its competitors. The brand name is the vocalizable part of the brand and the brand mark is the non-vocalizable part. Kapferer (2008) also defines brand as a name that influences buyers. He further notes that brand commands people's attention because they have element of saliency, differentiability, intensity and trust. Successful brand conveys a consistent message and create an emotional bond with consumers.

In addition, Hammond (2008) defines brand as the total emotional experience a customer has with your company and its product or service. The author describes a brand to be an experience that is implanted in the mind of customers that have experienced an interaction with a company or that got in contact with the company's staff, product or service. He also discusses the remarkable benefit that strong brand can bring to the company. Strong brand increases company's sales volume, it will create great awareness and introduces the product or the service that the company is offering, in addition to that it builds a long-lasting customers relationship and loyalty, and in some cases it give the chance for the company to offer their product and services with a premium pricing. Companies with powerful brands also enjoy having devoted employees who believe in the brand and are loyal to it. On the other hand having a powerful brand becomes worth huge amount of money added to the company's balance sheet.

The American Marketing Association's definition of brand is the one that is supported by many authors and found in various literatures. This definition explains a brand as "a name, term, sign, symbol, or design, or a combination of them, intended to identify the goods or services of one seller or group of sellers and to differentiate them from those of competitors."

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

Ultimately, a brand is a source of competitive advantage. In order to get competitive advantage, companies should create a benefit to consumers through employing effective brand strategy. A strong brand undoubtedly does differentiate the product from similar products, having a strong brand name alone is not enough. The product itself needs to be different in some

way (Blythe, 2005). A strong brand is a brand with indispensable products or with strong intangible added value. (Kapferer, 2008).

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

2.1.2 Brand loyalty

Brand loyalty has been the center of attention among academicians and practitioners for many decades (Jan Møller & Torben Hansen (2006)). In their attempt to conceptualize brand loyalty, most academicians and practitioners focused on the behavioral aspect, less emphasis on the attitudinal brand loyalty. The attitudinal aspect has gotten more attention when they notice behavioral brand loyalty couldn't give them a comprehensive picture of loyalty. Behavioral loyalty considers proportional purchase, purchase sequence and probability of purchase (Dick and Basu (1994)). Behavioral brand loyalty cannot explain why customers who made a repetitive purchase, sometime switch away and buy other competitive brands (Allan & Joel Bubinson (1996)). Dick and Basu (1994, p. 100) also state that "the behavioral definition is, consequently, insufficient to explain how and why brand loyalty developed and modified up."

In contemporary researches brand loyalty has been explained in terms of behavioral and attitudinal perspective (Sehan & Gökhan (2005)). (Son K, et al., 2010, p. 131) argue that loyalty "a deeply held commitment to re-buy or re-patronize a preferred product/service consistently in the future, causing a repetitive same brand or same brand-set purchasing, despite situational influences and marketing efforts having the potential to cause switching behavior." Antouridis & Trivellas (2010, p.333) claim that brand loyalty "Loyalty has both attitudinal and behavioral elements, and it is determined by the strength of the relationship between relative attitude and repeat patronage"

Dick & Basu (1994) developed a conceptual framework of brand loyalty based on relative attitude and repeated patronage. According to them, attitude used to evaluate an object/ brand position on a continuum favorable, so brand attitude range from high to low. An individual customer may have a positive or negative attitude toward a brand, but in rare situation customers may patronize a brand for which they have negative attitude Dick & Basu, (1994).

A consumer might have a high or a low attitude to a brand, however situation might affect attitude. Even if customers have high attitude, they might not buy the brand because comparatively great attitude for other brands Dick & Bastu (1994). Attitude is a comparative concept and there is no objective measurement. The relative attitude combines with the attitudinal differentiation of a brand gives more indications of brand patronage than relative attitude in isolation Dick & Bastu (1994). According to them brand loyalty is the result of relatively high attitude and high repeat patronage.

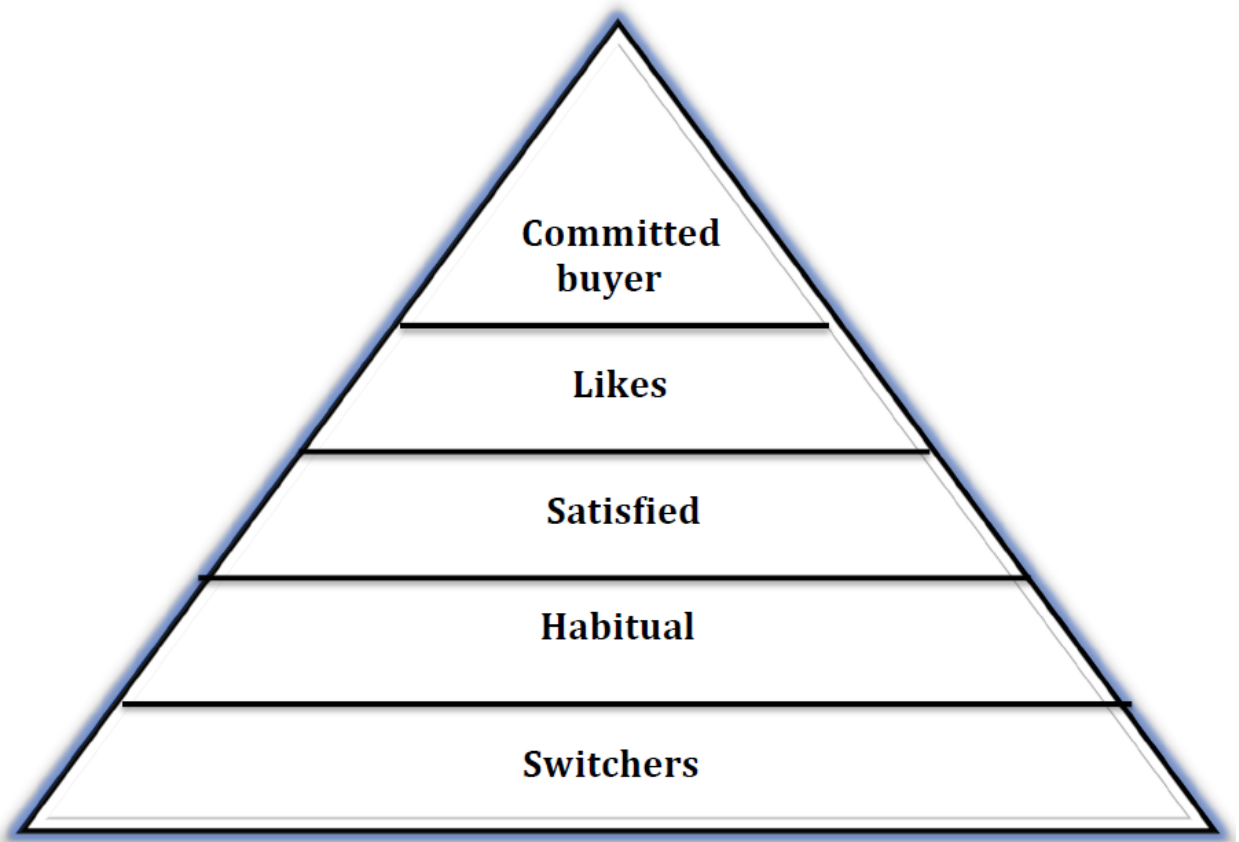
There is a difference between brand loyalty in durable goods, service and consumption goods. In durable goods once the customers bought the product; they will stay away from the market until the need for replacing the product. However, consumer purchase consumption goods frequently and large in number, the behavioral aspect of consumer is the appropriate measurement indicator; the proportion of purchase and the frequency. Whereas durable goods more attitudinal aspects of consumer are important because durable goods are tangible, and it has a long life span as compare to service and consumer goods. For a short while customers will be 100% loyal to a single durable goods brand Thiele & Bennett (2001).

Why is important to study brand loyalty? Brand loyalty plays significant role in brand extensions as well as brand equity. Jan Møller Jensen and Torben Hansen (2000, p. 444) state that brand loyalty increase brand market share “brand loyalty increases exponentially market share, resistance to alternative competitor brands and favors positive word of mouth”.

Brand loyalty is important as it motivate the consumer that their product has the required qualities and this becomes the base for a future purchase behavior. According to Holt (2004, p. 95) “brand loyalty is the consumer’s willingness to stay with a brand when competitors come knocking with offerings that would be considered equally attractive had not the consumer and brand shared a history.

Brand loyalty concept becomes easy to understand by studying brand loyalty pyramid proposed by Aaker (1991), as shown in figure 2. He proposed brand loyalty to be one of the five elements of brand equity.

Figure 1 *Brand Loyalty Pyramid*



Source: (Aaker, 1991 p. 40)

(Aaker,1991) pointed out that brand loyalty is a variable having different level of strengths depending on a particular customer. Switchers are the customers, who keep on changing brands due to low switching costs. Habitual buyers are the people who have a habit to buy the same brand repeatedly, but do not have an emotional attachment with the product. Satisfied customers are the people who are loyal to a brand because it continuously satisfies their needs and wants (Aaker, 1991). Likes have an emotional attachment with the product and committed customers

are at the top of the pyramid. These people share strong commitment and trust with the brand and value this attachment.

According to Oliver (1999) there is a social connection between the customer and brand. This social connection helps in development of the loyalty and satisfaction of the customer towards the brand. Oliver (1999) carried out a research indicating that satisfaction plays an important role in brand loyalty; however other factors like quality, customer's interest in the brand and social connection between customer and brand also important factor for brand loyalty development.

Brand loyalty is a broader concept and it is influenced by various factors. In this thesis the factors that influence brand loyalty were limited to five for operational reasons. As the number of independent variables increases, the size of questions would also increase in numbers. The response rate would be declining, because the questions take a long time to respond. To encourage response rate the questions and the independent variables were limited to reasonable numbers, even if there are others independent variables that could affect brand loyalty.

2.1.3. Brand image

According to Keller (2001), Brand image can be seen as all the different awareness, beliefs, opinions, and behaviors customers related to their brand, whether created purposefully by the corporation or not. In the recent years, widely accept that brand image includes a consumer's knowledge and beliefs about the brand's various products and its non-product attribute. The better the brand image, the better the quality as perceived by customers (Lee, Lee and Wu, 2009; Iversen and Hem, 2007). And some scholars also defined brand image symbolize the individual implication about a brand that customer have kept in mind (Iversen and Hem, 2007). Besides, other scholar also define brand image is the overall emotion image the customers holds about the brand and can be seen in isolation or in relation to other brands (Faircloth, 2005).

In some researchers' study, a different level of brand image may affect brand association, brand loyalty and perceived quality, and if this three dimension change will also cause overall brand equity' change (Lee, Lee and Wu, 2009). In (Mourad *et al*, 2010)'s research, brand image is directly affect perceived quality, and then the perceived quality is directly affect brand loyalty.

Therefore, this study was conceptualized a relationship between brand image and perceived quality.

In addition, some scholars developed some factors that can affect brand image, which include: price, after sales service, personality, social image, positioning, relationship, location, country of origin and staff, all of these factors are belong to brand image attributes, and with brand awareness, consumer attributes, as the three sub-component that directly affect brand equity, (Mourad, Ennew and Kortam,2010).

In summary, brand image is very important that have a great effect on brand equity as well as brand awareness, brand managers should also develop a brand image strategy to enhance the image that customer had stored in mind. If brand managers cannot do well with the brand image, a mismatch of brand image with a consumer's expectation will give a chance for competitors (Janonis and Virvilaitė, 2007), and lost companies' market share and even loyalty customers. Sometimes, A good advertising can help companies develop a global brand image and enrich its brand equity (Arora, Raisinghani, Arora and Kothari,2009). A better image may appear differentiation in customers' mind, then affect customer purchase intension, finally contribute to a better brand loyalty and brand equity. And then the strong brand image will deliver a positive effect to brand loyalty and brand equity.

Brand image pertains to how consumers perceive a product or service, regardless of whether their perceptions are accurate (Keller, 2003) and regardless of whether the perceptions are what the marketing company wants them to be.

Brand image is facilitated broadly by product or service attributes of a brand coupled with the provider's attributes. Each of these two major components can be subdivided into a number of specific attributes. (Keller, 2003).

Product value attributes comprise product price and product quality. Several empirical studies (e.g. Nowlis and Simonson, 1997; Tse, 2001) provide evidence that price affects consumer choice of products. Generally, consumers are willing to pay higher prices for brands that they perceive to have high value and vice versa (Erdem et al., 2004). Price is an easy way to compare alternative products (Aaker, 1996; Keller, 2003). This is to say that, organizations should price their services or products based on their quality perception in the consumer's mind.

Thus, high price if it is not coupled with a high quality will have a negative influence on brand preference, and on the other hand, low price, usually, does not promise good quality, but customers may expect value, a compromise between price and quality. This logic can be presented as a reasonable pricing strategy, (Ahmed A. and Jenifer R., 2011).

2.1.4 Perceived quality

Perceived Quality has an influence on customer loyalty and benefit companies as it improves customer retention rate. It greatly influences customer's perception about a brand, as it makes an assessment of overall quality of a brand as compared to its competitors (Aaker 1991, p. 85). A good perception about quality of a product improves satisfaction rate of a customer and he becomes loyal to the brand. The perceived brand quality also affect positioning and profitability of the product in the market. It also helps customers to differentiate a brand from another on the basis of its quality (Aaker 1991, p. 85).

According to Apéria & Back (2004, p. 47) a consumer's perceived brand quality improves financial gains for a company as it increases customer's satisfaction and loyalty. The most common parameters used to assess the quality of a product are user friendliness, durability, serviceability, excellent performance and prestige features (Bruks & Naylar, 2000).

Lee. H, Lee. C &Wu .C (2009) argue that brand quality is a cumulative evaluation of brand excellence. It includes tangible and intangible brand attributes. Customers might not understand brand quality the way manufacturers do Bruks & Naylar (2000). According to them, it is common method customers use intangible brand attributes when their asses brand quality for durable goods. (Cole, Robert, Flynn, 2009, p. 68) state that "Perceived quality can affect a willingness to buy, and the price that customers will pay. "

Brand loyalty expected to occur when perceived quality has been judged favorably Gurbuz (2008). According to him when the customer perceived the brand has high quality, they will develop brand loyalty. He also states that perceived quality is the main driver of brand loyalty and a positive quality evaluation as a construct that maintains behavioral intentions.

Boulding *et al.* (1993) states that the positive relationship between perceived quality and repurchase intention and willing to recommend.

Perceived quality is viewed as a dimension of brand equity rather than as a part of the overall brand association (Keller 1992). Perceived quality is the customer's judgment about a product's overall excellence or superiority that is different from objective quality (Zeithaml 1988). Objective quality refers to the technical, measurable and verifiable nature of products/services, processes and quality controls. High objective quality does not necessarily contribute to brand equity (Anselmsson et al. 2007). Since it's impossible for consumers to make complete and correct judgments of the objective quality, they use quality attributes that they associate with quality (Acebro'n and Dopico 2000).

Perceived quality is hence formed to judge the overall quality of a product/service. Boulding (1993) argued that quality is directly influenced by perceptions. Consumers use the quality attributes to 'infer' quality of an unfamiliar product. It is therefore important to understand the relevant quality attributes are with regard to brand equity. Zeithaml (1988) and Steenkamp (1997) classify the concept of perceived quality in two groups of factors that are intrinsic attributes and extrinsic attributes. The intrinsic attributes are related to the physical aspects of a product (e.g. colour, flavour, form and appearance); on the other hand, extrinsic attributes are related to the product, but not in the physical part of this one e.g. brand name, stamp of quality, price, store, packaging and production information (Bernue's et al.2003).

Perception of brand quality is determined by individual customers (Cole, Robert and Flynn 2009). Individual customer is the ultimate determinate of quality. However, there is a parameter than can be used to establish brand quality as a reference. Bruks & Naylar (2000) and (Pappu, Quester,& Cooksey, 2006) state that the common method to assess the quality of product/service is establishing quality dimension. The following are quality parameters to assess the quality of durable goods; easy to use, serviceability, durability, performance and excellent feature (prestige).

Easy to use refers a customer's ability to start and operate the product with the help of instruction available with a product. The instructions to start and operate the product are clear and understandable to meet quality criteria. Serviceability refers to the customer's access to obtain services from manufacturers. The services include repairing and upgrading the brand,

services also available with reasonable time, place and price to customers. Durability refers how long the product last, the length of time product function properly without the need of repair. Performance refers how well the product performs the intended purpose, for example, how well micro-wave cook food. Prestige refers to how well the products communicate superiority and relevance to a social group Bruks & Naylar G (2000).

2.1.5. Brand experience

Brand experience is a subjective and internal response as well as a behavioral response when an individual customer's encounter with the product, shopping and consumption Brakus & Zarantonello (2009). Product experience is the result of the customers physically contact with the product or virtual presentation on advertising Brakus & Zarantonello (2009). Some experience might have a short impact, where some experience stays for long. Brand experience span from brand consumption to the environment where brand displayed (Kerin, et al., 1992)

However, Brakus & Zarantonello (2009, p. 53) argue that brand experience is not a general evaluation of customers overall experience “brand experience is specific sensations, feelings, cognitions, and behavioral responses triggered by specific brand-related stimuli.” For example, the customers might have specific experience; this iPod puts me in a good mood. However, experience through a time results general evaluation and attitude toward the brand.

Other researchers rather argue brand experience as the total pleasantness and unpleasantness encounters that affect attitudinal and behavioral response of the customers and influences patronage (Kerin, et al., 1992). Sahin, Zehir and Kitap (2002, p. 1289) argue that brand experience as a combination of behavioral, affective and cognitive response “Brand experience is conceptualized as sensations, feelings, cognition, and behavioral responses evoked by brand-related stimuli that is part of a brand’s design and identity, packaging, communications, and environments.” The positive outcome of brand experience will influence brand loyalty.

Brand experience has a direct relationship with brand loyalty and it plays a crucial role in brand building process, Iglesias, Singh, & Batista- Fouget (2010). According to them if the customers have positive and pleasant experience, they would likely purchase the same brand

repeatedly and they become loyal to the brand. Iglesias, Singh,& Batista- Fouget (2010 p. 572) also state that “ brands which are capable of delivering a superior brand experience can achieve preference over and differentiation from other brands and build brand loyalty and foster evangelism”.

2.1.6 Customer satisfaction

Brand satisfaction has a positive influence on brand loyalty (Youl & John, 2010). A satisfied customer is likely to use same brand in future as well. The satisfied customer is expected to continue purchasing same brand. Trust and satisfaction are two factors that lead to positive purchase outcome. When customers have been sure that the company or firm is honest and truthful, then the customers trust the brand and form a positive buying retention towards the brand. Moreover trust can lead to customer’s satisfaction and loyalty to the brand (Anderson & Narus, 1990). When customers feel pleasure and satisfaction after using a product, it leads to long-term relationship and repeated purchases. Another factor that influences customer satisfaction and expectation is the spreading of word of mouth. It means when customers are satisfied with a brand, they would recommended it to their friends. The customer satisfaction results in improved customer loyalty towards the brand (Dick & Basu, 1994).

According to, Serkan & Gökhan (2009) customer satisfaction is the result of overall consumer satisfaction. This satisfaction can be due to collective experience of the product and its different features. The customer satisfaction can also be due to purchase expectation and post purchase experiences by the customer, having got a satisfactory product after paying a suitable cost. However consumer’s satisfaction also depends on expectation of a brand and its performance, and subsequent post purchase experiences (Serkan & Gökhan, 2009).

Paurav (2004) argued that customer satisfaction is his or her psychological response to the product performance and an outcome of the customer’s expectations. This analysis of the product performance is based on comparison between expected and actual performance of that particular brand. The expectation of a customer from a specific product and its different features depends on his personal interests. The brand performance depends on its different attributes and

features, which are required by a customer. These operating characteristics can be hardware, software, style or other functionality (Gilbert & Carol, 1982).

These different characteristics and performance of the product determines the satisfaction level of the consumers. The customer satisfaction leads to brand loyalty and a positive attitude towards the product. It also results in customer's repeat purchasing behavior (Youl & John, 2010).

Paurav Shukla (2004, p. 85) states that customer satisfaction is "customer's psychological Response to his/her or her positive evaluation of the consumption outcome in relation to his/her expectation". Satisfaction is a subjective evaluation of the consumption experience. The argument is based on disconfirmation satisfaction theory. The theory state that customer evaluation of product/brand is based on comparison between expected performances with actual performance. Disconfirmation theory of satisfaction has conceptualized as expectation, performance, disconfirmation and satisfaction Gilbert & Carol Surprenant (1982).

Expectation indicates the customers anticipated performance. There are various expectation indicators that customers might expect from brand performance. Customers might expect brand provide functional or other expectation, but that depends on customer's interest. Although all customers might not be able to list out the entire possible brand benefits due to the fact that customers might have little awareness or motivation to do so Joss & Hans (1995). Their brand performance rating is based on the attributes' that they are familiar with or the Attributes that customers want to have from the brand.

Performance is how the product or brand carries out the intended purpose or operating Character Gilbert & Carol Surprenant (1982). It is highly influenced by customer expectation. Brand performance is a baseline for comparison with the customer expectation. Brand performance might exceed, meet or below expectation. The performance criteria are highly based on tangible and intangible's brand attributes. Brand specific performance attributes include hardware, software, stylishness or other attributes.

Disconfirmation is the variance between prior expectation and actual performance Gilbert& Carol Surprenant (1982). Customers might have positive or negative disconfirmation of

their experience. Positive disconfirmation indicate performance exceed expectation, while negative disconfirmation indicate performance less than anticipated expectation. If the consumers have no previous experience with alternative brands, they might be less motivated to compare the Difference between expectation and performance; it is hard for them making any meaningful Comparison Joss & Hans (1995). However, individual consumption experiences determine the Outcome of satisfaction or dissatisfaction Rodoula Tsiotsou (2005). Customer consumption Experience rated based on individual attitude on continuum range, very dissatisfied to very Satisfied.

2.1.7 Brand switching cost

In many markets, consumers face non-negligible costs of switching among different brands of products or services. As classified by Klemperer (1987), there are at least three types of switching costs: transaction costs, learning costs, and artificial or contractual costs.

Transaction costs are costs that occurred to start a new relationship with a provider and sometimes also include the costs necessary to terminate an existing relationship. Learning costs represent the effort required by customers to reach the same level of comfort or facility with a new product as they had for an old product. Artificial switching costs are created by deliberate actions of firms: frequent flyer programs, repeat-purchase discounts, and “click through” rewards are all examples. Besides these explicit costs, there are also implicit switching costs associated with decision biases (e.g., the “Status Quo Bias”) and risk aversion, especially when customers are uncertain about the quality of other products or brands.

Switching costs have been theoretically shown to influence prices, profits, and entry decisions, and have been linked to a variety of competitive phenomena such as price wars and subsidies for new customers (Klemperer, 1987, 1989, 1995; Schmalensee, 1974, 1986; Beggs and Klemperer, 1992; Farrell and Shapiro, 1988; Nilssen, 1992).

The marketing literature identifies a specific manifestation of switching cost, termed “brand loyalty”. Brand loyalty is usually defined as the minimum price differential needed before consumers who prefer one brand switch to some competing brand (Pessemier, 1959; Raju, Srinivasan and Lal, 1990). Brand loyalty may be due to real switching costs, decision biases,

uncertainty about the quality of other brands, or other psychological issues that drive customers' seemingly "unreasonable" behaviors. Much of this extensive literature emphasizes the identification of loyal customers (Jacoby and Chestnet, 1978) by individual behaviors such as repeat purchases or expressed preferences in surveys or focus groups.

Typically, loyalty is treated as an intrinsic characteristic of consumers (Jacoby and Chestnet, 1978; Grover and Srinivasan, 1987; Colombo and Morrison, 1989; McCarthy et. al., 1992). Less emphasis has been placed on explicit measurement of switching costs due to firm practices.

2.2 overview of the Brewery industry

Beer consumption in developing countries is often seen as one revealing (if crude) proxy for gauging the strength of economic activity. If beer sales are high and rising, incomes and economic activity are presumably growing strongly while the reverse should be true if beer sales are flat or falling (accesses capital res).

In Ethiopia, growth in beer consumption has been a surprisingly high 24 percent per year according to Access Capital estimates, roughly double the average annual growth rate in real GDP. Even after such a rapid increase, however, per capita beer consumption in Ethiopia is still only a fraction of the level seen in other African countries. With estimated consumption of 3.1 million hectoliters and a population of near 80 million, annual beer consumption per head is only around 4 liters in Ethiopia. This figure is about a third of that in neighboring countries and roughly one twentieth of the consumption levels seen in South Africa.

Table 1: Per capita Beer consumption in Africa

country	Beer consumption per head
Ethiopia	4 liters
Kenya	12 liters

Swaziland	19 liters
Cameron	25 liters
Angola	37 liters
Botswana	40 liters
Nigeria	53 liters
South Africa	59 liters

Source: Various international publication and press reports

Ethiopia's beer industry is currently includes foreign investors and a local private producers. By far the most dominant brewer is BGI Ethiopia/Castel Group (owned by French investors and producer of the popular *Giorgis* brand), with a market share of around 50 percent nation-wide and even higher in Addis Ababa.

Looking ahead, beer demand is without doubt expected to continue its rapid growth, in line with rising population levels, favorable demographics, continued economic growth, and a gradual convergence of national consumption levels towards those of neighboring countries. Access Capital projects that beer consumption will rise by around 15 percent per year in the coming years, a volume growth that can comfortably support several new beer producing factories in the next five year period even after accounting for the expansion plans of existing firms.

Trends in beer consumption in developing countries are often taken as one revealing proxy for economic activity. Economic growth, rising incomes, and a growing share of disposable to total income all tend to drive the consumption of beer in developing countries. As statistics for beer production are easily measurable and tend to be well documented by the industry, trends in this area can potentially provide one indicative measure of trends in incomes and economic activity.

Cross-country data do indeed corroborate the broad relationship between economic activity and beer consumption: in recent years, for example, growth in beer consumption has been a modest 2 percent per annum in most developed markets but several times that rate in fast-growing developing countries (Global Beer Industry Guide (2009)). Beer demand is on the rise particularly in Asia (especially China), Eastern Europe, and rapidly growing African economies. This is propelled by economic recovery, expanding population, rising disposable income, improvement in beer quality, and improving distribution systems. Within Africa, according to Business Monitor International's *"Beer in Africa Report 2008"*, beer consumption has been experiencing impressive growth on the back of foreign investments in new production, rising disposable incomes, and changing consumption patterns. For example, a gradual shift is taking place away from home-brewed beer or other traditional drinks towards commercially produced brews, reflecting aggressive advertising campaigns by major brewers, rising urbanization, and the growing prevalence of drinking as a social activity. Owing to the above factors, many of the world's major brewers have been increasing their operational activities in the region, attracted to its vast long-term potential. In this regard, ambitious expansion plans are being seen by some of the dominant regional brewers such as SAB Miller, Heineken, BGI (Castel Group) and East African Breweries.

In line with regional trends, Ethiopia's beer industry has seen much activity in recent years including a surge in demand associated with increased urbanization, population growth, and rising incomes. From a level of just 1.0 million hectoliters in 2003/04, beer production has risen to nearly 3.1 million hectoliters by 2008/09, giving an estimated average growth of around 24 percent per year. The industry at present includes the following breweries namely, Meta Abo brewery under Diageo brewery with 14% market share, Dashen Brewery with 16% market share, Harer and Bedele Breweries together under Heineken brewery have 18% market share while BGI Ethiopia obtains the biggest 50% market share.

The market share of the major breweries in Ethiopia has shown significant shifts over the years reflecting promotional activities, production innovations, and consumer preferences. Until 2004/2005, Meta was the leading brewery having the lion's share of the market, followed by Dashen and BGI Ethiopia respectively. However, due to the aforementioned factors, market shares have shifted markedly in recent years.

2.2.1 Outlook

While Ethiopia's per capita beer consumption is presently very low by international standards, it should rise over time on account of rising incomes, increased urbanization, and still-rapid population growth. Recalling the earlier statistic of only 4 liters of beer per person as compared, for instance, to roughly 12 liters per person in Kenya reveals that there is considerable potential for growth simply by catching up with the consumption patterns of neighboring countries.

Differing approaches for estimating beer demand in Ethiopia all suggest that double-digit growth is very likely to be seen in the years ahead:

Convergence of beer consumption towards at least half of neighboring country levels: With steady economic growth and continued urbanization, it is quite reasonable to expect that Ethiopia's per capita beer consumption will in a decade's time reach at least what is currently the norm in neighboring Kenya. This implies that per capita consumption would be near 12 liters per head by 2020, a relatively modest target that we think amounts to a conservative projection. Given population growth of around 2.3 percent per annum and assuming a steady move towards consumption of 12 liters per head by 2020 implies an average annual growth of around 12 percent over the next five years.

Extrapolation from recent growth rates: With beer production amounting to approximately 1,000,000 HL in 2003/04 as compared to 3,050,000 HL at present, we estimate that average growth rates in consumption for the past five years were around 24 percent per annum. We think that the main drivers of beer demand—growing population, urbanization, and rising nominal incomes—will not change fundamentally in the years ahead, even though part of the recent growth is likely to have reflected pent-up demand following years of very limited capacity expansion. Accounting for the latter effect, an extrapolation from recent growth rates would suggest demand growth of around 20 percent per annum in the coming few years.

Projections based on GDP growth: Recent growth rates for beer have amounted to around 0.8 times nominal GDP growth and 1.8 times real GDP growth over the past five years. Looking ahead, real GDP growth is expected to average 6-8 percent according to Access

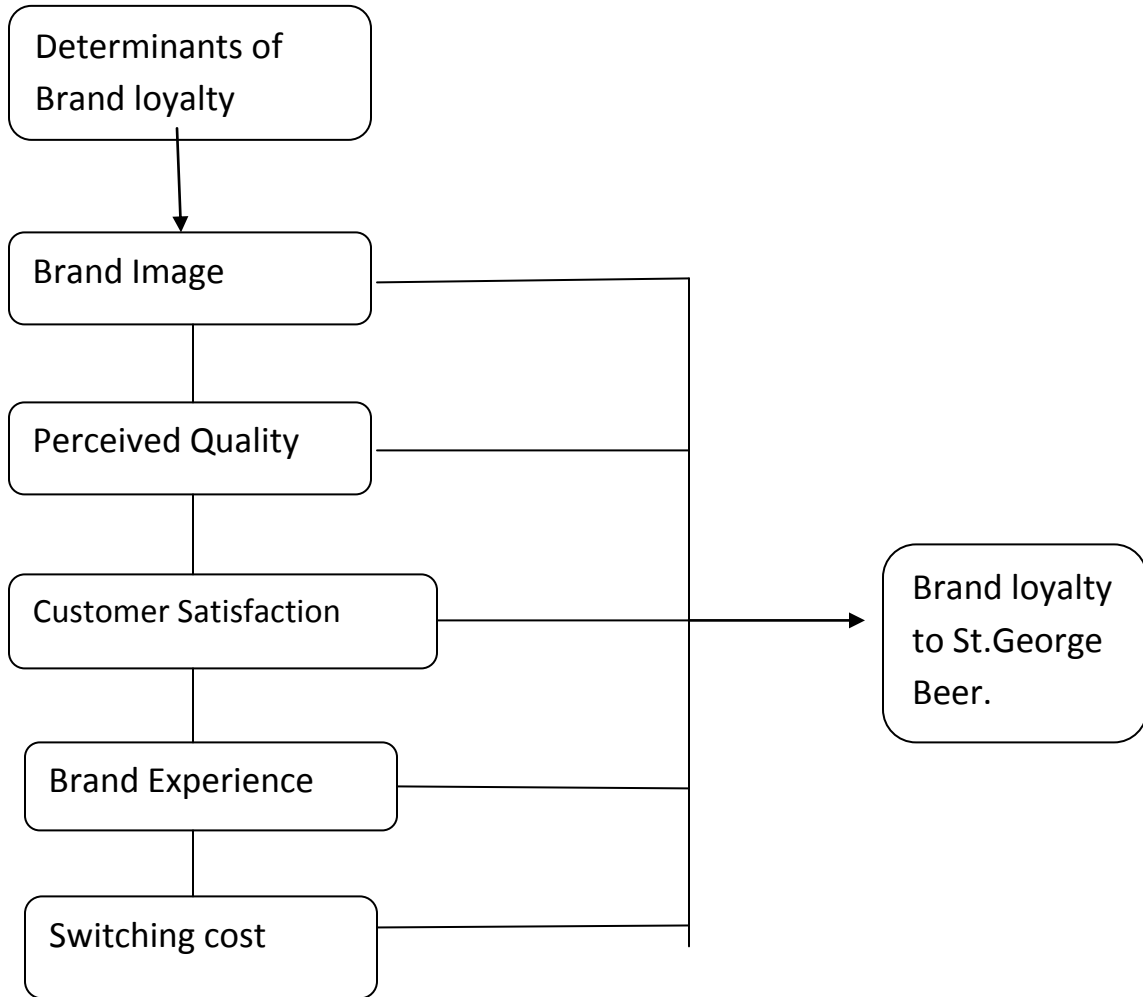
Capital's projections (and those of other institutions such as the IMF). Using historical relationships between beer consumption and real GDP growth, this would suggest that beer consumption will be near 11-14 percent in the coming years.

Given the above considerations, it is fairly confident that beer demand will show double-growth rates for at least the next five years, with a range that could lie from 11 to near 20 percent per year, based on the differing extrapolating methods noted above. Our central scenario, based on an average of the three alternative approaches, would be for growth in the range of 15 percent per year. This projected growth rate implies new beer production of around 400,000 hectoliters per year, a volume increase that could support several new large-scale beer operations even *after* accounting for some of the on-going expansions in existing plants.

2.3 Conceptual Frame work

A conceptual model was developed based on theories discussed below. The following conceptual model for this research presents the main issues and items that can influence brand loyalty. Besides, the conceptual framework as illustrated in figure 1 shows factors that can influence consumer behavior of St.George beer, with respect to brand loyalty. Factors like brand image, brand experience, brand Switching cost, customer satisfaction, and switching cost which could lead to brand loyalty have been discussed. These factors can affect behavior of St.George consumers. In methodology section of the report a questionnaire has been included, having background information from theoretical framework, about brand loyalty and different factors which influence brand loyalty. Developing a conceptual frame, is normally “modification and developments of theories” written in literature (Fisher, 2007, p.5).

Fig 2. Conceptual framework of the study



Source: Own work, (2015)

Chapter three

Research Methodology

In this section research design, sampling Methodology, sources of data, data collection method, Research instrument, data analysis method, validity and reliability and ethical consideration are discussed.

3.1 Research Design

The research type this study was a causal research type. By employing inferential statistics, regression analysis, the effect of the independent variable on the dependent variable and the correlation between the exogenous variables was assessed. The conceptual Frame work was designed as a base for this study; it is designed to test the effect of the five variables on the Brand loyalty of the consumers.

3.2 Sampling methodology

3.2.1 Target population: the research targeted all consumers of St.George in Addis Ababa, lideta Sub city who are above age of 18.

3.2.2 Sample and sampling procedure: Random or non-probability sampling approach was used in contacting target units (respondents) of the study. However, considerations were made to randomize the selection of respondents based on age.

3.2.3 Sample size: The total number of St.George consumers is infinite as a result the sample size was calculated using Godden 2014 formula. Sample size for more than 50,000 populations with 95% confidence level, 10% of population proportion and 5% of margin of error. The Approximate sample size was 138.

$$SS = \frac{Z^2 P(1-P)}{(M)^2}$$

$$(M)^2$$

SS= Sample size for infinite population (more than 50,000)

Z= Z value

P= population proportion

M= Margin of error

Sample size for more than 50,000 populations

Z value 1.96 for 95% confidence level

Population proportion assumed to be 0.1 (10%)

Margin of interest 5% (0.05)

$$SS = \frac{(1.96)^2 * 0.1(1-0.1)}{(0.05)^2}$$

$$(0.05)^2$$

$$SS = \frac{0.345744}{0.0025}$$

$$0.0025$$

$$SS = 138.2 \text{ Approximately } 138$$

3.3 Source of data

The study was based on the collection of both primary and secondary data.

3.3.1 Primary Data: The primary data needed for the research was gathered through questionnaires. The questionnaire for the research consisted of demographic questions and multiple choice questions. The instrument was divided into two sections based on the subject of the question. The first comprises 5 choice items designed to assess background and demographic area of the respondent. The second section contains 19 choice items used to determine determinants of brand loyalty. This approach also helped to compare the opinions of a large number of people with ease in a limited available time.

3.3.2 Secondary data: Secondary data was collected only for theoretical and conceptual frame work purpose from different sources, studying previous research that is related to the research topic. Mostly it's collected from online sources such as different journals, articles; websites, academic books and internet were used.

3.4 Data collection Method:

The data collection took place in Addis Abba, Lideta sub city, behind St. George Brewery and in front of Balcha hospital. The sampling sites were chosen as people from different part of the area visit these places as there are countless bars, groceries and hotels around there and it is easy to get access to St. George beer consumers.

The questionnaires have been filled on the spot by the consumers who are drinking St. George Beer. A total of 138 responses were participated. Out of a total of 138 respondents, 6 respondents which did not match with criterion of the research were ignored. It means a data obtained from 132 respondents was used for this study.

3.5 Research instrument

The questionnaires have been designed in survey based on the conceptual framework. Each question has been analyzed from different aspects of brand loyalty. It was designed in a way that was clear, brief and understandable to the respondents as well as covers the relevant aspects of the model used. According to Fisher (2007) it is recommended to keep the questionnaire as short as possible and give it a logical and sequential structure so that the respondent can easily see what the questionnaire is about and can follow its themes as they go through them. For that reason, the questionnaire was designed in both English and Amharic languages considering that target audiences were Ethiopian citizens.

There are total six parts for the questionnaire; each part consists of questions related to the research topic and conceptual framework.

Part one consisted of questions (1-5), which identify the demographic of the respondents, where questions related to gender, age, educational background, income level and Frequency were asked. Part 2 contained questions (1-5), which identify beer brand image in different customer's mind. There were three questions in part 3 (6-8) that covered perceived quality, Part 4 consisted of questions (9-13) and covered statements related to the brand experience and customers feeling and experience about their beer brand. Part 5 consisted of questions (14-16), which covered customers' satisfaction. Brand performance, expectation and overall satisfaction were the core area of this part. The final consisted of questions (17-19) and the questions were related to the switching cost.

Brand Loyalty

To measure brand loyalty five scales measurement is adopted Dimensional measurements adopt from Dick & Bastu (1994). The questions which included in this part is adopted from previous research with slight modification aimed at capturing the core essence of loyalty from this thesis perspective; attitudinal and future purchasing tendency of customers, which are also the main theme of Dick & Bastu (1994)research work.

Customer Satisfaction

For measuring customer satisfaction, five scale measurements strongly dissatisfied (one)and strongly satisfied (five) is used. Various researchers have used different dimension to

measurement customer satisfaction. Rodoula Tsiotsou (2005) used three dimensional measurements for sport shoes, Gilbert & Carol Surprenant (1982) used seven dimensional measurements for video disc players, but in this thesis five dimensional measurements were used. The questions that included under satisfaction are adopted from previous research and some modification with the aim of capturing the essence of satisfaction from this thesis perspective. Customer expectation, brand performance, disconfirmation and overall satisfaction are the core area of focus.

Perceived Brand quality

For measuring perceived brand quality, five scale measurements are adopted. The operational measurements are subjective judgment made by the consumer regarding the excellence or superiority of a product. Five dimensional measurements with some modification is adopted from (Pappu, Quester & Cooksey, 2006) and Ramos & Franco (2005). They used measurement dimension for car and TV sets.

Brand experience

For measuring brand experience five-point Likert scales with anchors strongly disagree (one) and strongly agree (five), is adopted from (Azize, Cemal and Hakan Kitapc, 2011) and (Brakus, Schmitt & Zarantonello, 2009). The former authors used to measure automobile experience and the later authors used to measure Apple/iPod experience. The operational measurements are sensations, feelings, cognition, and behavioral responses of customers to the brand. The questions under brand experience included are adopted from previous research with slight modifications. It's aimed at capturing the essence of customer's brand experience from this thesis perspective.

Brand Image

For measuring brand image a five-Likert scales ranging from one (completely disagree/completely unimportant) to five (completely agree/very important) is adopted from (Salciuviene, Mockaitis and De Mattos, 2009). They used to measure cell phone brand image from different cultural perspectives. The operational measurements are perceptions' attribute benefits and symbolic attributes benefits'.

Brand switching costs

For measuring perceived switching cost, a five (5) scale measurement is adapted. The operational measures are perceived economic costs, learning costs, searching costs, social and

physiological risk was adopted from Paurav Shukla (2004). He used dimensional measurement for brand switching cost on Vehicles, TV, Soap, Hair oil and Ice cream.

3.6 Analyzing the Data

The cross tabulation is a tool which is used in questionnaire analysis. Cross tabulation helps to compare each individual respondent's answer to each question (Fishe, 2007). This method was used to analyze answers by respondents to each question. The obtained answers from questionnaires were transferred to the excel sheet in order to classify and analyze them. Then a report was confirmed on the questionnaire, which allowed comparing the results of the respondent's answer to the questionnaires. In this way the trends of the respondents could be identified and then each answer was analyzed in detail. Then all analysis performed by SPSS 20 windows version (Statics package for social Science). Descriptive analysis (Percentage and mean) were analyze respondents' general profile, and so on.

3.7 Reliability and Validity Analysis

3.7.1 Reliability Analysis

Reliability refers to the degree of the results' consistency under the same conditions. It should remain the same if research has to be repeated. To sustain a high level of reliability for primary data, after questionnaires were filled in and completed by respondents those answers transferred to excel sheets. Afterward the results double checked, in order to avoid any mistakes. To obtain more reliable answers and personal opinions of the respondents on the spot filling of the survey forms were performed. There were some possibilities that they didn't fill the questionnaire themselves and get help from other person. Also reliability of secondary data were make sure, as the data was collected from reliable sources like university databases, journals and academic books written by researchers, professors and doctors.

Table Reliability statistics on brand loyalty

Variables	Cronbach's Alpha
Brand image	0.773
Perceived quality	0.818
Brand Experience	0.714
Customer satisfaction	0.728
Brand switching cost	0.616
Brand loyalty	0.919

Source: SPSS Results (2015)

3.7.2 Validity analysis

According to Kothari (2004) content validity is the extent to which a measuring instrument provides adequate coverage of the topic under study. If the instrument contains a representative sample of the universe, the content validity is good. Its determination is primarily judgmental and intuitive. It can also be determined using a panel of persons who shall judge how well the measuring instrument meets the standards, but there is numerical way to express it. Based on this definition the content validity was verified by the advisor of the research, who look into the appropriateness of the questions and the scale of measurement. In addition discussions with Fellow researchers as well as feedback from the pilot survey were another way of checking the appropriateness of the questions. In case of secondary data, only relevant articles and literature from academic, scientific and marketing databases were used for this study.

3.8 Ethical consideration

The researcher holds the view that the ethical consideration is the most important element in the research process thus tries to guarantee confidentiality and preserve anonymity of

participants of the research. Whenever, necessary pseudo-names will be used and participants and participants will prevent any harm to them at any cost.

The researcher will also be abide by the rules and regulations of the institution and to the moral standards of the institution and tries to avoid any data manufacturing and fraudulent reporting.

Chapter Four

Data Analysis and Interpretation

This chapter gives an overview of the empirical findings based on the questionnaire survey. It presents the results in graphical presentation or charts where necessary and it discusses each question. Correlation analysis, regression analysis and findings of the research are also discussed below.

4.1 Data Analysis and interpretation

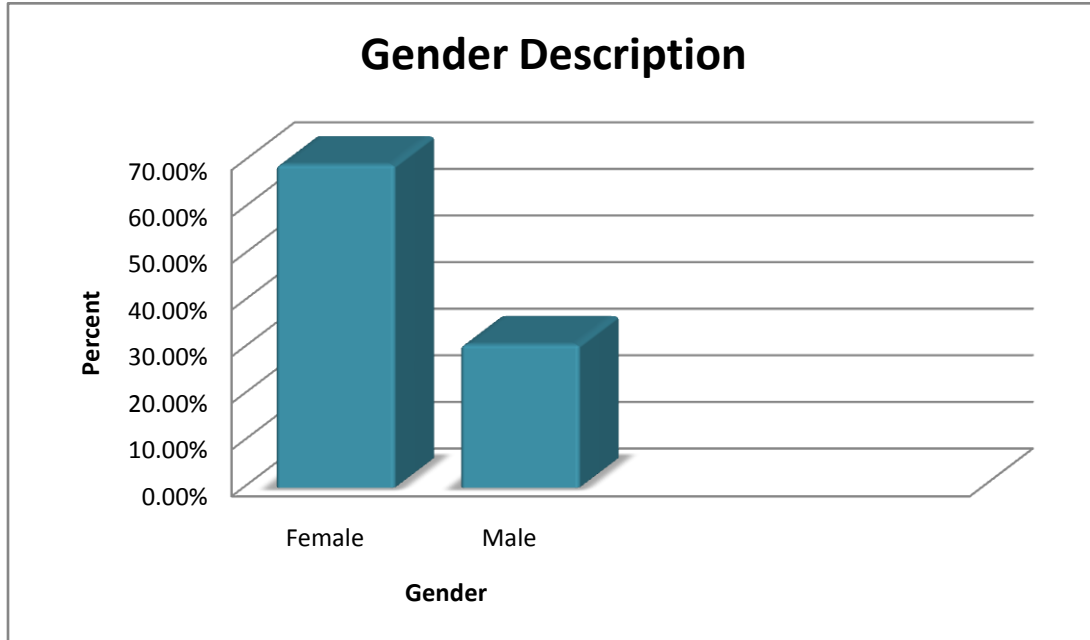
This chapter analyzes responses collected from St.George consumers. In total 138 questionnaires were distributed, Out of the total 6 questionnaires were not collected and the study consider them as missing value of the study.

4.1.1 Demographic profile of Respondents (Gender, age, educational level, income level and frequency of drinking St. George beer)

A total of 138 responses were distributed through on spot survey, out of which 6 were ignored as they did not respond correctly. So, a total of 132 responses have been taken into consideration for the analysis. This section gives demonstrate the demographic characteristics of the respondents, consisting of Questions 1 to 5 of the survey conducted.

Concerning the Gender position of respondents (69.3%) of them are males and the rest (30.7%) are females. This implies that males consume St.George beer compared to females.

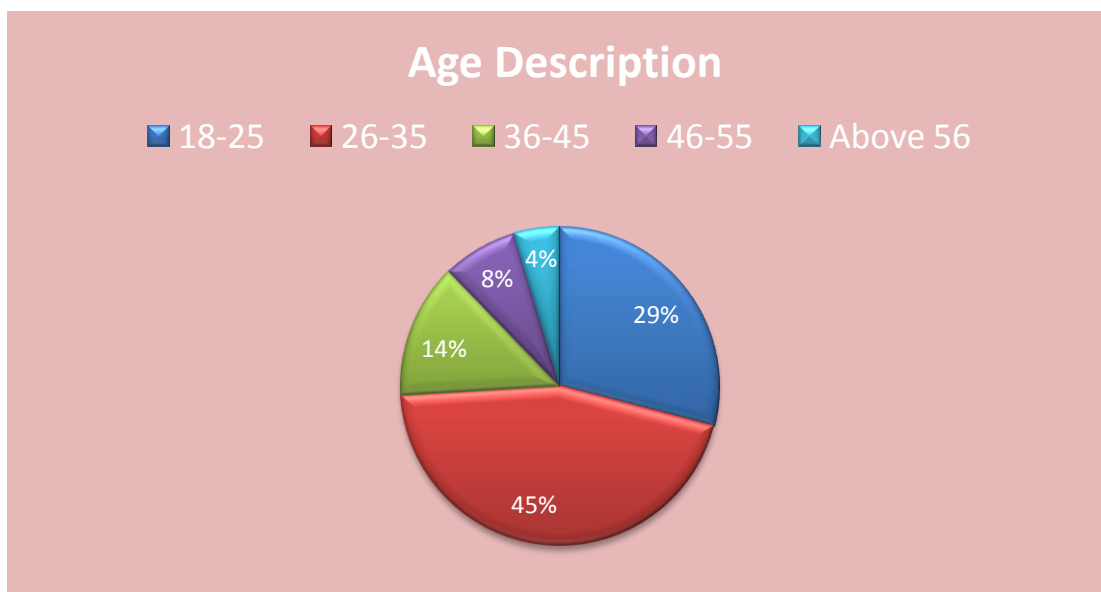
Figure 3: Gender description of Respondents



Source: own survey 2015

Majority of respondents belong to age group (26-35) years with 45% followed by (18-25) years which is 29%, (36-45) years having 14% , age group (46-55) have 8% and the minimum representation at 4% is for age group of above 56 years old. This confirms that majority of St. George consumers are males between the age group of 26-35.

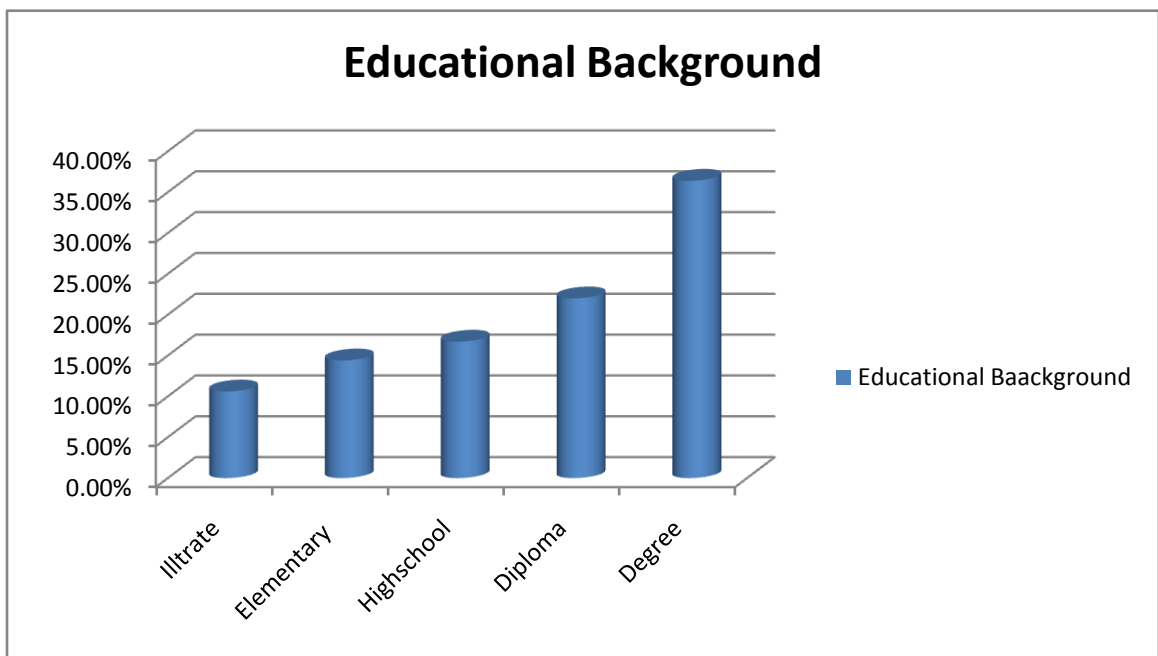
Figure 4. Age Group of Respondents



Source: own survey, 2015

Regarding the educational background of the respondents (36.4%) of the respondents were degree holders followed by the second largest respondents who have completed their diploma (22%) and the rest were educated in the level of high school (16.7%), elementary (14.4%) and illiterates (10.6%). This result shows that more degree holders consume St. George beer.

Fig 5 .Educational Background of Respondents

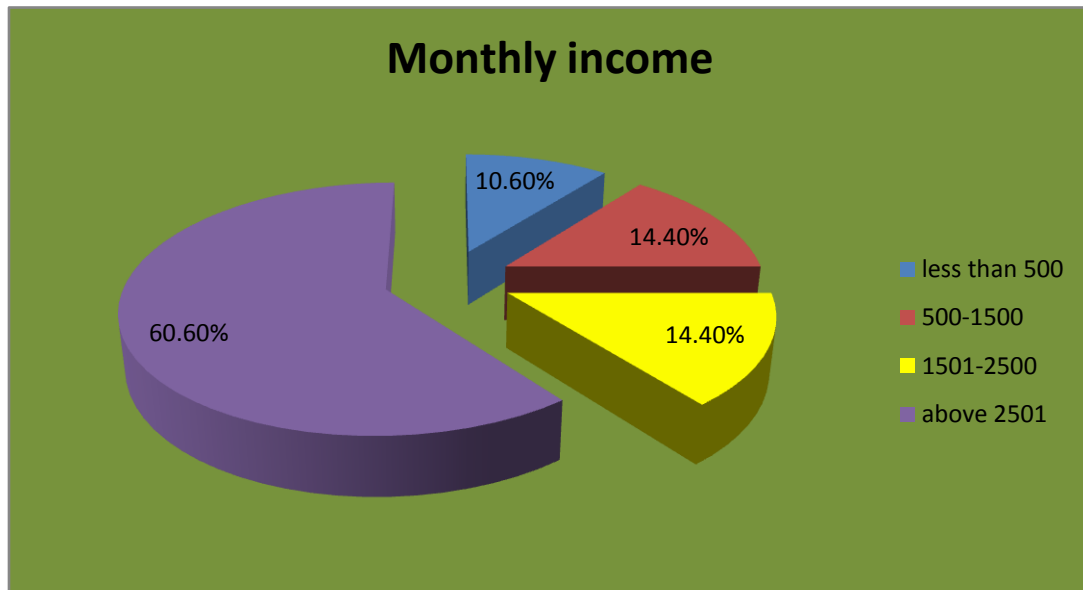


Source: own survey, 2015

Concerning the monthly income of respondents (10.6%) of them get monthly income of birr less than 500, 501-1500, 1501-2500 and above birr 2501 of the respondent were 14.4%,

14.4% and 60.6% respectively. This entails that majority of the respondents were people with highest income who are consumers of St. George beer.

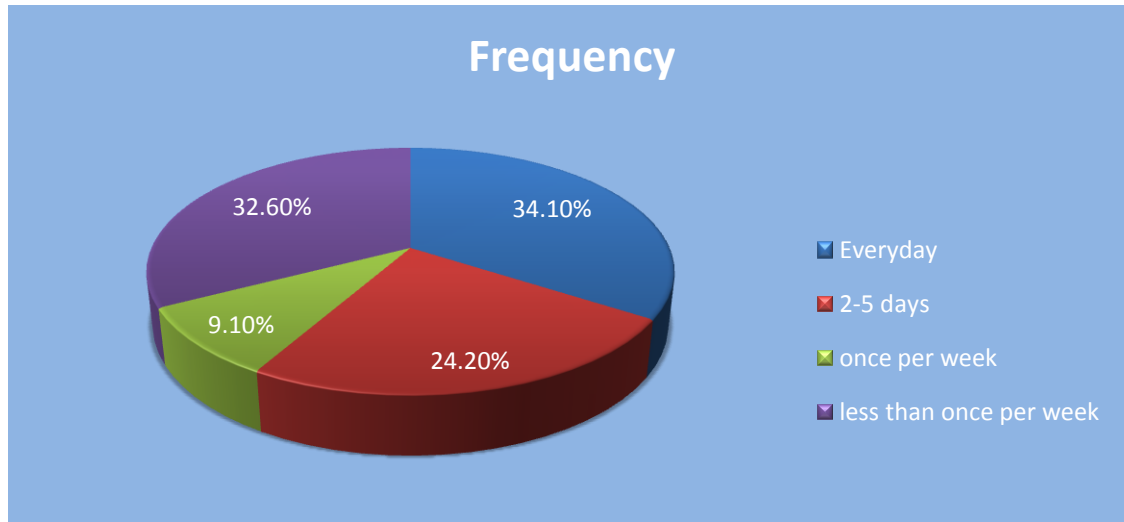
Fig 6: Monthly income of Respondents



Source: own survey, 2015

Majority of the respondents (34.1%) drink St. George beer every day, whereas 32.6% of the respondents drink less than once per week, (24.2%) drink 2 – 5 days a week while only (9.1%) drink once a week.

Fig 7. Frequency of drinking St. George beer results of Respondents



Source: own survey, 2015

4.1.2 Determinants of Brand loyalty

Before proceeding to regression analysis, data clearing and statistical test were done. SPSS used in data clearing. The collected data passed through the following test; normality, multicollinearity, reliability and validity.

Normality test is a way to estimate whether the sample data close approximation to the actual unknown population, Paul Newbold (2003). Graphical and statistical methods can be used to test normal distribution of the sampled data. Normal probability plots provide a good way to test variables' distribution. The horizontal axis indicates data ranks from smallest to largest; the vertical axis indicates cumulative normal probability of the ranked data Paul Newbold (2003).

In the plots, a normal distribution produces a straight diagonal line, and if the plotted data follow the line, the normality is assumed Lawrence (2006). Statistically Skewnes's and Kurtosis used to check normality. For normal distribution, Skewnes's range between 1 and -1 Lawrence (2006) and Kurtosis range between 3 and -3, Paul Newnold (2003). Skewness is a statistical test that used to verify whether the data are distributed symmetrically or not Mark (1996). Kurtosis measures the relative concentrations of data value on in the center versus on the tail Paul Newnold (2003).

St. George brand sample data meet the normal distribution criteria. Skewness and Kurtosis range between on the acceptable level of normality, but with one exception age is not normally distributed in both brands. It is positively skewed and marginally high Kurtosis value.

The multicollinearity used to test whether two or more independent variables are highly Correlated to each other. The test indicated there is high correlation between independent Variables. VIF value of independent variables less than the threshold level 10, Andy Field (2009). St. George brand meet the reliability test with respective Cronbach's Alpha value of (.919). The values are greater than the recommended level (.80), by Andy Field (2009). The mean value of each independent variable was used for regression analysis. The questions under customer satisfaction, perceived quality, brand experience, brand image and switching Costs are added and then divided by the number of questions to get the mean value $(Q1+Q2+Q3+Q4... Q7/7)$.

4.1.2.1 Brand Image

In regard to scores obtained from the respondents in finding part and as shown in the Table 6, it reveals that brand image is an important factor for St. George beer consumers. Most of the respondents believed that the brewery St. George is not trustworthy and just 21.2% agreed with the statement. It shows that the number of respondents who disagreed (62.1%) is higher than those who agreed. Responding consumers also believe that St. George is number one among other beers. The scores showed more than half of the respondent thought their beer brand is prestigious and well known. Around 71.2% of respondents agreed that other people judge them by the kind of beer they drink. In addition 62.8% of the respondents think they are very well informed about the beer. This indicates that the consumers have a good image of their brand, which are qualities of a satisfied, likes and committed buyers, as shown by Aaker's brand loyalty pyramid in chapter two of this paper. The satisfaction and confidence shown by St. George consumers in their beer brand image, establishes that brand image can play an important role to influence customer's brand loyalty.

Table 3: Responses on Brand image

Questions		Strongly disagree	disagree	neutral	agree	Strongly agree
The brewery manufacturing St.George beer is trustworthy.	Frequency	44	38	22	21	7
	percent	33.3%	28.8%	16.7%	15.9%	5.3%
I think St.George is number one among other beers.	Frequency	2	2	38	45	45
	percent	1.5%	1.5%	28.8%	34.1%	34.1%
I think my Beer brand is well known and prestigious.	Frequency	3	28	19	42	40
	percent	2.3%	21.2%	14.4%	31.8%	30.3%
Other people judge me by the kind of beer I drink.	Frequency	9	3	26	42	52
	percent	6.8%	2.3%	19.7%	31.8%	39.4%
I think I am very well informed about St.George beer.	Frequency	4	25	20	32	51
	percent	3%	18.9%	15.2%	24.2%	38.6

Source: own survey, 2015

4.1.2.2 Perceived Quality

According to theories stated in chapter 2, perceived brand quality influences customer loyalty and increases retention rate. The quality of a brand influence brand loyalty of a customer (Aaker 1991, p. 85).

When consumers asked about quality of their beer more than half of them 54.5 as shown in table 5, acknowledged that quality of their beer was good. It strengthens Aaker point of view that a good quality of a brand have a positive influence on brand loyalty. According to Aaker a better quality of a brand helps consumer to differentiate a brand from another and it also enhances its reputation. A large number of (71.2%) of St.George consumers believed that their beer brand can bring them prestige. Similarly 82.6% of consumers thought that their beer is more than a product for them.

Table 4. Responses on perceived quality

Questions		Strongly disagree	disagree	neutral	agree	Strongly agree
This product can bring you prestige.	Frequency	2	17	19	40	54
	percent	1.5%	12.9%	14.4%	30.3%	40.9%
I think my beer brand have a reputation for high quality.	Frequency	10	19	31	35	37
	percent	7.6%	14.4%	23.5%	26.5%	28%
My beer brand is more than just a product for me.	Frequency	0	6	17	61	48
	percent	0	4.5%	12.9%	46.2%	36.4%

Source: own survey, 2015

4.1.2.3 Brand Experience

With regard to theory presented in chapter two Brakus et al, (2009) conceptualized brand experience as subjective and internal consumer response and believed that brand experience relate to internal feeling. The result of primary data shows that a positive feeling toward beer brand by St.George. It was noticed that 69.7% of the respondents agreed that the brewery offers products with excellent taste and only 16.7 % of them disagreed with that.

As shown in table 6; more than 53.8% of the respondents agreed that their beer brand create pleasant experience and excitement. It showed that they are satisfied in their current beer brand. Thoughts regarding beer brand and their life style, more than 72% of them affirmed that their beer brand matches with their life style and personality. It shows that large number consumers prefer to choose beer brand which match with their lifestyle and their personality, it is in congruence with Brakus et al (2009) views that brand experience is a specific sensations and behavioral response activated by a specific brand experience.

As survey results demonstrate the consumers have a strong interest and have positive feeling towards St.George beer. It also shows that brand experience is an important factor regarding brand loyalty, customers who have great experience while consuming this beer brand assumed to drink the same brand in future as well. It indicates that positive brand experience plays an important role in customer’s satisfaction and brand loyalty.

Table 5: Responses on brand experience

Questions		Strongly disagree	disagree	neutral	agree	Strongly agree
My beer brand offers products with excellent taste.	Frequency	10	12	18	70	22
	percent	7.6%	9.1%	13.6%	53%	16.7%
I think my beer brand relate to the pleasant experience.	Frequency	3	29	29	35	36
	percent	23%	22%	22%	26.5%	27.3%
I feel St.George beer go with my way of life style and personality.	Frequency	2	16	19	54	41
	percent	1.5%	12.1%	14.4%	40.9%	31.1%
I have a strong interest in St.George beer.	Frequency	1	15	16	63	37
	percent	8%	11.4%	12.1%	47.7%	28%

I have positive feeling about St.George beer.	Frequency	10	22	30	52	18
	percent	7.6%	16.7%	22.7%	39.4%	13.6%

Source: own survey, 2015

4.1.2.4 Customer Satisfaction

According to Youl & John (2010) brand satisfaction has a positive influence on brand loyalty. A majority of St.George, 68.2% were satisfied that their beer and has good value for the money they paid. Satisfaction leads to trust and it can be assumed that a satisfied customer would continue to purchase the same brand in future as well, which demonstrated the brand loyalty of customers towards their beer brand.

When asked about recommending the beer brand to their friends 69.7% of the consumers agreed that they would do so. It also point out towards the satisfaction and trust to their brand and subsequently towards brand loyalty. Anderson & Narus (1990) pointed out that customer satisfaction towards the brand result in long-term relationship and brand loyalty.

Table 6: Responses on customer Satisfaction

Questions		Strongly disagree	disagree	neutral	agree	Strongly agree
My beer is a good value for the money I paid.	Frequency	2	14	26	59	31
	percent	1.5%	10.6%	19.7%	44.7%	23.5%
I would recommend St.George beer to my friends	Frequency	8	5	27	51	41
	percent	6.1%	3.8%	20.5%	38.6%	31.1%
I am satisfied by the taste of my beer.	Frequency	10	12	18	70	22
	percent	7.6%	9.1%	13.6%	53%	16.7%

Source: own survey, 2015

4.1.2.5 Brand switching cost

As shown in the table 8, about 65.2% of the respondents indicated that the price of St.George beer is reasonable. Around 69% of the respondents are willing to pay higher price for St.George brand than other brands of beer and more than half of the respondents replied that Once they have made a choice on which beer brand to purchase, they are likely to continue to buy it without considering other brands. With regard to analysis of findings of switching cost and collected data, it is clear that the St.George consumers are not influenced by switching cost. It also confirms that the consumers are loyal to their beer brand.

Table 7: Responses on Brand switching cost

Questions		Strongly disagree	disagree	neutral	agree	Strongly agree
The price of St.George brewery product is reasonable.	Frequency	1	20	25	55	31
	percent	8%	15.2%	18.9%	41.7%	23.5%
I am willing to pay higher price for my brand than other brands of beer.	Frequency	9	10	22	64	27
	percent	6.8%	7.6%	16.7%	48.5%	20.5%
Once I have made a choice on which beer brand to purchase, I am likely to continue to buy it without considering other brands.	Frequency	6	29	28	55	14
	percent	4.5%	22%	21.2%	41.7%	10.6%

Source: own survey, 2015

Statistics indicating the Importance of Factors That determine Brand loyalty

As stated in the chapter three, Likert scale was used to measure the importance level of factors affecting practices of relationship marketing. The higher the score, the more important are the variables as evaluation criteria. Five point scales were used to measure the importance of factors in such a way that mean score could be calculated to determine the main determinants of Brand loyalty. With five point scales, the intervals for breaking the range in measuring each variable are calculated as follows:

$$= \frac{\text{Max.} - \text{Min.}}{5} = \frac{5 - 1}{5} = 0.8 = \text{Importance Level}$$

5

It means that the scores falling between the following ranges can be considered as:

Importance Score 1.00 – 1.80 Means Unimportant at all

Importance Score 1.81 – 2.60 Means Somewhat Unimportant Importance

Score 2.61 – 3.40 means neutral Importance

Score 3.41 – 4.20 means somewhat important

Importance Score 4.21 – 5.00 Means Extremely Important

Table 8 descriptive statistics of Respondents

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
brand image	132	2	5	3.53	.748
brand experience	132	1	5	3.72	.856
customer satisfaction	132	1	5	3.75	.752
brand switching cost	132	1	5	3.57	.806
perceived quality	132	2	5	3.88	.827
brand loyalty	132	2	5	3.69	.592
Valid N (listwise)	132				

Source: SPSS survey result, 2015

The mean scores show that the most important Determinant of brand loyalty were perceived quality (mean =3.88), customer satisfaction (mean=3.75), Brand Experience (mean=3.72), brand Switching cost (mean=3.57) and Brand Image (mean=3.53).

4.2 Correlation Analysis

A correlation coefficient is a very useful means to summarize the relationship between two variables with a single number that falls between -1 and +1 Field (2005). A correlation analysis with Pearson's correlation coefficient (r) was conducted on all variables in this study to explore the relationships between variables. To interpret the strengths of relationships between variables, the guidelines suggested by Field (2005) were followed, mainly for their simplicity. His classification of the correlation efficient (r) is as follows: 0.1 – 0.29 is weak; 0.3 – 0.49 is moderate; and > 0.5 is strong.

Correlation coefficients say nothing about which variable causes the other to change. Although it cannot make direct conclusion about causality, we can take the correlation coefficient a step further by squaring it (Andy, 2005). The correlation coefficient squared (known as the coefficients of determination, R²) is a measure of the amount of variability in one variable that is explained by the other.

Table 9 Correlation analysis

Correlations

		brand image	Brand experience	Perceived quality	customer satisfaction	brand switching cost	brand loyalty
brand image	Pearson Correlation	1	.560**	.343**	.128	.237**	.606**
	Sig. (2-tailed)		.000	.000	.000	.006	.000
	N		132	132	132	132	132
brand experience	Pearson Correlation		1	.676**	.449**	.227**	.793**
	Sig. (2-tailed)			.000	.000	.009	.000
	N			132	132	132	132
Perceived quality	Pearson Correlation			1	.559**	.581**	.865**
	Sig. (2-tailed)				.000	.000	.000
	N				132	132	132
customer satisfaction	Pearson Correlation				1	.544**	.722**
	Sig. (2-tailed)					.000	.000
	N					132	132
brand switching cost	Pearson Correlation					1	.702**
	Sig. (2-tailed)						.000
	N						132
brand loyalty	Pearson Correlation						1
	Sig. (2-tailed)						
	N						

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

Source: SPSS Data, 2015

AS per table above, the coefficient show that the five determinants measuring brand loyalty were all positively related with the with brand loyalty within the range of 0.606-0.865, all were significant at $p < 0.01$ level.

The independent variables perceived quality and brand experience show highest and strong positive relation (0.865, 0.793 respectively). While the other three independent variables customer satisfaction, Brand switching cost and Brand image and show a moderate level of positive relation (i.e. 0.722, 0.7024, and 0.606 respectively) with brand loyalty.

Table also shows that the correlation of the independent variables within themselves. It can be noted that all variables are positively correlated with each other where the strongest correlation goes to the one between brand experience and perceived quality while the correlation is very weak between brand image and customer satisfaction.

4.3 Regression analysis

Regressions fit a predictive model to data and use that model to predict the values of dependent variable from one or more independent variables (Andy, 2005). Linear regression estimates the coefficients of the linear equation, involving one or more independent variables that best predict the value of the dependent variable.

In order to see the Determinant factors that Affect brand loyalty in the Ethiopian beer industry, liner regression analysis was employed. Brand loyalty as used as the dependent variable while the underlying Determinants were used as the independent variables. Table provides the results of the multiple regression analysis.

Table 10 Model summery

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.756 ^a	0.572	0.529	0.938

a. Predictors: (Constant), brand switching cost, perceived quality, brand image, customer satisfaction, brand experience

Source: SPSS data, 2015

The model summary indicates independent variables have strong relationships with dependant variables. R indicates how strong the independent variables as the whole related to dependant variable, from the table it is possible to see (.756) on a scale from 0 to 1 and R square indicates the degree of independent variables variation explaining the dependant variable Albert (2001).

A 57.2 % change of the dependant variables (brand loyalty) on St.George brand explained by independent variables all taken together. A 42.8 % change in the dependant variable on St.George brand explained by other variables, which have not been included in this regression model.

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

This study intends to identify the most contributing independent variable in the prediction of the dependent variable. Thus, the strength of each predictor (independent variable) influencing the criterion (dependent variable) can be investigated via standardized Beta coefficient.

The regression coefficient explains the average amount of change in the dependent variable that is caused by a unit change in the independent variable. The larger value of Beta coefficient an independent variable has, brings the more support to the independent variable as the more important determinant in predicting the dependent variable.

Table 4.11 Coefficient

Model	unstandardized Coefficients		Standardized Coefficients	T	Sig
	B	Std. Error	Beta		
(Constant)	1.002	.181		5.534	.000
Customer Satisfaction	.319	.053	.327	6.072	.000
Brand Image	.091	.063	.088	1.446	.026

Perceived Quality	.733	.045	.731	16.241	.000
Brand Switching Cost	.062	.023	.106	2.674	.008
Brand Experience	.516	.045	.538	11.508	.003

Source: SPSS (2015)

According to Table 4.10, the standardized coefficients for the five independent variables perceived quality, brand experience, customer satisfaction, brand switching cost and brand image are (0.731,0.538,0.327,0.106 and 0.088) and their significance levels are .000, .000, .026, .000, .008, .003 respectively which are all less than 0.05. This indicates a significant relationship between the independent variables and the dependent one.

4.4 Findings

1. Perceived quality : The descriptive analysis show that perceived quality has the highest mean value compared to the other determinants of brand loyalty factors(i.e. 3.88).The correlation analysis also reveals perceived quality show the highest and positive relation (i.e 0.865) with the dependent variable Brand loyalty. According to regression analysis the coefficient table shows that the value of Beta coefficient of perceived quality shows 0.731 highest value which proves the strength of the independent predictor influencing the criterion(dependent variable).

2. Customer satisfaction: The second most important factor Determining brand loyalty is customer satisfaction. The mean value of the independent variable result shows the value of 3.75 which is between the range of score (3.41-4.20) that shows important level. Correlation analysis also supports that customer satisfaction is correlated with Brand loyalty by 0.7221 correlation value and the regression analysis of Beta coefficient level shows 0.538 values with a significance level of .000.

3. Brand Experience: The independent variable brand experience has the third position in determining brand loyalty of St.George beer brand when its mean value is compared to other listed variables. Correlation analysis proves that the independent variable is correlated with

dependent variable by 0.793 correlation value and the beta coefficient shows 0.538 level with significance level of .003.

4. Brand switching cost: The mean value of the independent variable is 3.57 which show significant level of importance. The correlation value proves that the variable is correlated with brand loyalty (dependent variable) by 0.722 correlation value and the regression coefficient table reveals that the variable shows Beta value of .106 values with a significance level of .008.

5. Brand image: The descriptive value of the independent variable shows the lowest mean value (i.e. 3.53) compared to other listed variables. However, it still shows significant level of importance. The correlation value proves that the variable is correlated with the dependent variable by .606 values and the Coefficient table from the regression analysis proves that the variable has .888 Beta value with significance of .026.

6. Hypothesis

Hypothesis	Independent Variables	Correlation value	Dependent Variables	Results
H1	Perceived Quality	.865**	Brand loyalty	Supports
H2	Brand Experience	.793**	Brand loyalty	Supports
H3	Customer satisfaction	.722**	Brand loyalty	Supports
H4	Brand Switching cost	.702**	Brand loyalty	Supports
H5	Brand image	.606**	Brand loyalty	Supports

Chapter five

Conclusion, Recommendation and Implication

This chapter presents conclusion, recommendation and implication based on findings and analysis, for marketing practitioner and researchers

5.1 Conclusion

In conducting this study, the required data was obtained through structured questionnaires. The Instrument (structured questionnaires) was adopted from prior related studies, in order to measure all variables of the study. To check the validity and reliability of the adopted instruments validity and reliability test was also carried out. To determine the sample size from the total population of the study, the researcher uses formula based-sample size determination. To select respondents' simple random sampling technique was adopted. Basically, a total of 138 questionnaires were distributed to the sampled Customers, among these 132 questioners were returned. Thus, 132 returned questionnaires were analyzed using statistical package for social science (SPSS version 20). In the analysis descriptive statistics, correlation analysis and regression analysis were performed.

The findings from the descriptive statistics shows that perceived quality has the highest mean value which is 3.88 and Customer satisfaction, brand experience, brand switching cost and brand image shows (0.375,3.72,3.57,3.53) mean value respectively. The correlation value proves that all the independent variables are correlated with the dependent variable from the range of (0.606-0.858) .The model summery from the regression analysis point out that the degree of independent variable explaining the dependent variable is (0.756) which shows the strong relationship of the independent and dependent variable. The Beta coefficient confirms perceived quality has the highest value and brand image shows the lowest value.

5.2 Recommendations:

The focus of this research was on St.George consumers that could provide useful insight to both practitioners and researchers. The main goal of this paper was to study determinants affecting beer brand loyalty of St.George consumers.

- ❖ As found after analysis customer satisfaction, perceived quality, brand experience and brand switching cost are important factors influencing the St.George consumers. The beer marketing practitioners should take into consideration that the important determinant of brand loyalty of St.George consumers (i.e perceived quality). The positive feeling and experience which they have obtained after consuming the beer also influence their brand loyalty. Therefore St.George Brewery in order to build a strong brand loyalty among St.George consumers should try to promote beer with better taste, pleasant experience and higher quality.

5.3 Further implications

- The research can be further expanded to other countries and cultures. It would help to understand in detail different factors influencing brand loyalty of St.George consumers.' Moreover by using a larger and diverse sample size and even distribution among different age group help in better understanding of brand loyalties of a diverse group of customers.
- In future research can also be carried out by using more variables like price difference, attractiveness of a brand and customer involvement to understand effect of these variables on brand loyalty.
- In order to continuously adapt the proposed product proposition to the changes in customer needs and attitude, surveys like the one conducted in the study should be performed by the brewery. Hereby, the management will obtain an up-to-date understanding of the customer attitude.
- To sustain competitive advantage the brewery should Focus on attracting new segments of the market like the under age groups by producing non-alcoholic beers.

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Appendices

		Strongly Disagree	Disagree	Natural	Agree	Strongly Agree
No	Determinants of Brand loyalty	1	2	3	4	5
Brand image						
1	The brewery manufacturing St.George brand is trustworthy.					
2	I think St.George is number one among other beers.					
3	I think my Beer brand is well known and prestigious.					
4	Other people judge me by the kind of beer I drink.					
5	I think I am very well informed about St.George beer.					
Perceived Quality						
6	This product can bring you prestige.					
7	I think my beer brand have a reputation for high quality.					
8	My beer brand is more than just a product for me.					
Brand Experience						
9	My beer brand offers products with excellent taste.					
10	I think my beer brand relate to the pleasant experience”					

11	I feel St.George beer go with my way of life style and personality.					
12	In general I have a strong interest in St.George beer.					
13	I have positive feeling about St.George beer.					
Customer satisfaction						
14	My beer is a good value for the money I paid.					
15	I would recommend St.George beer to my friends					
16	I am satisfied by the taste of my beer.					
Brand Switching cost						
17	The price of St.George brewery product is reasonable.					
18	I am willing to pay higher price for my brand than other brands of beer.					
19	Once I have made a choice on which beer brand to purchase, I am likely to continue to buy it without considering other brands.					

ተ. ቁ		በ ጣም ስ ስ ስ ማማ ም	ስ ስ ስ ማማ ም	ስ ስ ተ ያ የ ት የ ስ ኝ ም	ስ ስ ማማ ስ	በ ጣም ስ ስ ማማ ስ
		1	2	3	4	5
1	የ ቀዳሳ ጊዮርጊስ ፍብረት ስደንበኞች ታማኝነት፡፡					
2	የ ቀዳሳ ጊዮርጊስ ቢራ ከሴሎች ቢራዎች የበሰጠ ነው፡፡					
3	የ ቀዳሳ ጊዮርጊስ ቢራ ታዋቂና ተወዳጅ ነው፡፡					
4	ሰዎች በቢራ ምርጫ ላይ ምሁራን ስ፡፡					
5	ቀዳሳ ጊዮርጊስን ስደቱ በደንብ ስውደት ስ፡፡					
6	ቀዳሳ ጊዮርጊስ					

	ቢራንን መጠጣት ኩራት ነው፡፡					
7	የቀዳስ ጊዮርጊስ ቢራ የከፍተኛ ጥራት ስሰው					
8	የቀዳስ ጊዮርጊስ ቢራ ስኔ ከቢራ በሳይነው፡፡					
9	የቀዳስ ጊዮርጊስ ቢራ በጣሙተጠዳጅ ነው፡፡					
10	ቀዳስ ጊዮርጊስ ስሰደሳቸኛ ስዝኛኝ ጊዜ ደሰጠኛለሁ፡፡					
11	ቀዳስ ጊዮርጊስ ቢራ ከስኗኗራኛ ከሣንነቴ ጋር ደህዳሰ፡፡					
12	ስቀዳስ ጊዮርጊስ ቢራ ከፍተኛ ፍሳሕት ስሰ፡፡					
13	ስቀዳስ ጊዮርጊስ ቢራ					

	ጥሩ ስ መስ ካ ከ ትና ስ ማት ስ ሰኝ: :					
14	ስ ምጠጣው ቢራ የ ምክ ፍ ሰው ዋጋ ተገቢ ነው: :					
15	ስ ጎደኞች ጊዮርጊስ ቢራን ስ ጎደጠቀሙ ስ መክራሰቱ: :					
16	በቀዳስ ጊዮርጊስ ቢራ ጣሰ ም ረክቻሰቱ: :					
17	የቀዳስ ጊዮርጊስ ቢራ ዋጋ ተመጣጣኝ ነው: :					
18	ከሴቶች ቢራዎች በሳይ ስቀዳስ ጊዮርጊስ ቢራ ተጨማሪ ብር ስ መክራሰ ፍቃደኛ ነኝ: :					
19	ከቀዳስ ጊዮርጊስ ቢራ					

