St. Mary's University College

Business Faculty

Department of Marketing Management

The Practices of Branding in the case of Apex Bottling Company With Reference to Highland Spring Mineral Water

By

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A Senior Essay Submitted to the Department of

Marketing Management

Business Faculty

In Partial Fulfillment of the Requirements for

The Degree of Bachelor of Arts in

Marketing Management

<div align="right">

Addis Ababa

SMUC

May, 2010

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Approved by the Committee of Examiners

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Advisor	**Signature**
Internal examiner	**Signature**
External examiner	**Signature**

ACKNOWLEDGEMENT

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CHAPTER ONE

INTRODUCTION

1.6 Background of the Study

Perhaps the most distinctive skill of professional marketers is their ability to build and manage their brands. A brand is a name, term, sign, symbol, or design, or a combination of these, that identifies the maker or seller of a product or service. Consumer view a brand as an important part of a product, and branding can add value to a product (Kotler, 2006:243).

According to legend, the practice of branding products originated when an ancient ruler decided that products should bear some sort of symbol so that, if some thing should go wrong, buyers and the authorities would know who was to blame. Forced to identify their products with themselves, the story goes; producers began to take greater pride in their products and to make them better than those of their competitors, thus reversing the negative intent of the king's order. Whether the story is true or not, it makes the point that branding serves many purposes, both for the buyer and for the seller (William, 1999:274).

The human body requires us to drink two litters of water per day and people are increasingly looking towards bottled waters due to many reasons. Thus consumption of bottled water has been increased.

In recent years, many companies are entering in to the production of spring water. Highland springs were the first purified water introduced in to the Ethiopian market by the private company called Apex Bottling Company founded by Ato Ermias Tekil Amerga .

Background of the organization

Branding helps buyers to determine which manufacturers' products are to be avoided and which are to be sought. With out branding, a buyer would have difficulty recognizing products that have proved satisfactory in the past. Many consumers are not able to analyze competing item strictly on the basis of physical characteristics. They rely, therefore, on a brand's or firm's reputation as an assurance that the product being purchased meets certain standards. Brand helps sellers to develop loyal customers and to show that the firm stands behind what it offers. A brand that has earned a reputation for high quality may pave the way for the introduction of new products (William, 275).

In any given product category, only a handful of brands are successful. Years of uninterrupted nurturing, with the support of a good marketing program includes a meaningful product differentiation and positioning for the brand. Accompanied by the right distribution and promotion support. The entire activity is recourse intensive as well as, time intensive, it is also involves meticulous planning as well as careful execution. No wander; brand building is a very difficult task (Ramswamy et al, 2004:311).

A good brand should posses as many of the following characteristics as possible. It is extremely difficult to find a brand that has all of them. A brand should:

- Suggest something about the product's characteristic, its benefits, use, or action.
- Be easy to pronounce, spell and remember.
- Be distinctive.
- Be adaptable to new products that may be added to the product life.
- Be capable of being registered and legally protected under the Latham act and other statutory or common lows. (Stanton et al, 1991:212-213).

Many marketers have noted that a brand is a promise to customers. Delivering on this promise build trust, lowers risk and helps customers by reducing the stress of marketing product switching decision. Apex bottling Water Company is one of the major company producing different kinds of product; some of its products are:-

- Highland spring mineral water
- Utopia bottled water
- Royal crown cola soft drinks
- And different kinds of plastic product.

Among these products highland spring mineral water is the most known and the leading bottled water in Ethiopia. Apex bottling company established in 1996 and the owner of this company is Ato Ermyas Tekil Amerga. Currently this company has 1600 full time employees.

1.7 Statement of the Problem

Brand is more than just a name and symbol. Brand represents consumers' perception and feeling about a product and its performance every thing that the product or service means to consumer. In the final analysis, brand exists in the mind of consumer. Thus the real value of a strong brand is its power of capture consumer preference and loyalty. Brands varying the amount of power and value they have in the market place (Kotler, 2006:249).

Production and consumption of bottled water has been rising. And many competitive firms are entering in to the market. All of them offer the same type and easily substitutable products. So competition among them would become very high. As computation getting tough, branding activity became very important for the firm. They have to hold a distinctive place in the mind of the customer. In the case of Apex bottling company uses, different kinds of branding for its product like Highland spring mineral water, Utopia bottled water, Royal

crown cola soft drink. In line with this, highland spring mineral water has been a pioneer and a leader in the market over the years.

Even if the brand of highland is well known in the market, it cannot easily being differentiated from other bottled water as many customers use the name highland interchangeably. It is favorable thing to be known and recognized by the customers in order to maximize the sales and the market share of the company. But in the case of highland spring mineral water the sales volume is not that much favorable as compared to the awareness of its brand. As a result this can affect the sales or market share of the company. Further as per the interview conducted with the commercial head of Apex Bottling Company; frequent advertisement on highland is being carried out since its inception. Despite all this being done, the company doesn't measure the relative strength of highland with other competing mineral water. In light of this, the paper was investigated the related issues by focusing on the following research question.

1.8 Basic Research Questions

In light of the above mentioned problems the student researcher tried to give answers to the following basic research questions:

- How strong the brand of highland is in the mind of customers' as compared to competing mineral waters?
- What the company should do in order to build and sustain a strong brand image in the mind of customers?
- What major branding activities the company under take?
- What branding activity the company should do in order to differentiate its brand among the competitors?

1.4 Objective of the Study

1.4.1 General Objective

To analyze the practices of brand in Apex bottling company on the product of Highland spring mineral water.

1.4.2 Specific Objective

- To identify how strong the brand of highland is in the mind of its customer as compared to competing mineral water.
- To suggest a good branding activity in order to build and sustain a strong brand image of customer.
- To investigate the companies branding activity.
- To identify why the brand of highland has difficulty of differentiation among other bottled product.

1.5 Significance of the Study

Under taking this kind of research is very important for any business entity. It will help to make an informed decision on the company branding activity. In general, the main benefit that could be drawn from this study includes the following:

- This study has first hand benefit to the company through identifying the practice of branding and its related problem in the case of highland.
- Second this study also gives hints and information's for other researcher related branding activity.
- Third as I am a beginner in conducting a research it gives me an opportunity to practice and implement those lessons on research that I am learning in theory.

1.6 Delimitation /Scope of the Study

This study was restricted on the branding practice of highland in the Apex bottling company. This company produces different kind of product which includes Highland spring mineral water, Utopia bottled water, Royal crown cola soft drink and different kinds of plastic products. Among these products this study were delimited in the product of highland spring mineral water. This research also emphasized on marketing department which is related with branding activity. And the study was conducted with the customer of highland which is found around bole airport terminal 60%, St Mary's university college 30%, my family and friends 10% of the total sample size were used.

1.7 Research Design and Methodology

1.7.1 Research Design

There are several ways of studying and tackling problem while conducting research. Application of appropriate research design leads the researcher to the right finding and in achieving the objective of the study. In this study Descriptive research method was used. Because according to Malhotra (2006:82) as the name implies, the major objective of descriptive research is to describe something usually market characteristics or function.

1.7.2 Population and Sampling Technique

The population of the study comprised of the company's commercial manager and customers of highland spring mineral water. Since the sample frame is not available, non probability sampling techniques were used. Among the non probability sampling techniques convenience sampling were selected. Because in convenience sampling the relevant respondents will be chosen by the researcher. This is done for the purpose of selecting respondents that will be able to give an appropriate data of the research. In order to determine the sample size the

student researcher have used the model provided by the author Malhotera (2006:339),general rule the total sample size were 200 because this study is related with problem solving.

1.7.3   Types of Data to be Collected

Both primary and secondary data were used in order to make the study complete and achieve its stated objectives. The primary data consists of the company's manager and customer's response. Where as the secondary data consists company's published document.

1.7.4   Method of Data Collection

The data which is important for the study were collected by two methods, for the primary source of data: questioners for the customers, interview for managers. For secondary source of data: books, company's published document were used.

1.7.5   Data Analysis Method

The student researcher has used both quantitative and qualitative data analysis technique. Descriptive data analysis technique was used to analyze the quantitative data. Qualitative data analysis techniques were used to analyze the interview response. And data were analyzed and presented in the form of percentage and graphs by using SPSS statistical software. In order to get the total picture of data that was collected from sample respondents.

1.8. Organization of the Paper

This study were presented in four chapter, the first chapter is introduction, it includes background of the study, statement of the problem, objective of the study, significance of the study, delimitation of the study, research design and methodology, and organization of the paper. The second chapter deals with review of related literature. Analysis and interpretation of data were treated on the third chapter. Finally, the summary, conclusions and recommendations along with future research indications of were presented on the fourth chapter. The lists of reference and sample questionnaire were attached to the research paper.

CHAPTER TWO
REVIEW OF RELATED LETERATURE

In the preceding chapter of this study we have seen the general introduction about the practices of Branding in the Apex Bottling Company with reference to Highland spring mineral water. In this section we will briefly review issues of branding. First, history and definition of a brand is given. Next, a model is presented in order to discuss brand equity and customer brand knowledge structure, elements of brand building blocks. Finally, brand loyalty will be elaborated.

2.1 Definition of Brand

Kotler (2006:243), define a brand as "a name, term, sign, symbol or design or a combination of these, intended to identify the goods or services of one seller or a group of sellers and to differentiate them from those of competitors.

Gray Eldered, (2003:64) has identified three components in the definition of a brand:-

- Identifiers-Name, logo, color, any cues that brings the brand into mind.
- Attributes- Brand attributes include the economic, functional, and emotional benefits which are assigned to a brand by customers. They can be either positive or negative and are the basic elements of a brand identity.
- Associations-Connections that customers make between a brand's identifiers and its attributes.

The above three components of a brand must be managed properly.

In order to do this, marketers must be able to construct detailed "mental maps" or mental blue prints of consumers to understand exactly what exists in their minds concerning brands-all their thoughts, feelings, perceptions, images, beliefs and attitudes toward different brands. These further enhance manager's capability of decision making. (Keller 2004:4)

2.2 Products and Brands

To understanding the role of brands it is necessary to distinguish three concepts a product, a brand and a successful brand. A Product is any thing that meets the functional needs of customers. (Randall, 2004:158)

Most suppliers will want to identify their own product and differentiate it from competitors' products. They do this by branding it. A supplier will the normally try to create awareness and preference among customers for its brand. Awareness can be created by developing a striking presentation of the brand and spending sufficiently on advertising and promoting it. (Randall, 2004:158)

Successful brands can be seen as a combination of an effective product (P), a distinctive identity (D) and added values (AV). (Randall, 2004:159)

$$S = P \times D \times AV$$

Product effectiveness can normally be measured in blind product use tests against competitors. Distinctive identity is measured by prompted and unprompted brand awareness. Added value can be measured by perceptual research and brand preferences. The three characteristics of a successful brand are multiplicative rather than additive each is essential. With out a good product it is impossible to create a successful brand. Similarly unless differentiation and awareness can be developed, a good product will not leave the supplier premises. (Randall, 2004:159)

2.3 The Role of Brands

Brands identify the source or maker of a product and allow consumers either individuals or organizations to assign responsibility to a particular manufacturer or distributor. Consumer may evaluate the identical product differently depending on how it is branded. Consumer learns about brands through past experience with the product and its marketing program. They find out which brand satisfies their needs and which ones do not. As consumers' lives become more complicated, rushed, and

time starved, the ability of a brand to simplify decision making and reduce risk is invaluable. (Kotler. et al, 2006:274)

Brand also performs valuable functions for firms. First: they simply product handling or tracing. Brands help to organize inventory and accounting records. A brand also offers the firm legal protection for unique features or aspects of the product. The brand name can be protected through registered trademarks; manufacturing processes can be protected through patents; and packaging can be protected through copyrights and designs. These intellectual property rights ensure that the firm can safely invest in the brand and reap the benefits of a valuable asset. (Kotler. et al, 2006:274)

Brand can signal a certain level of quality so that satisfied buyers can easily choose the product again. Brand loyalty provides predictability and security of demand for the firm and creates barriers to entry that make it difficult for other firms to enter the market. Loyalty also can translate into a willingness to pay a higher price often 20 to 25 percent more, although competitors may easily duplicate manufacturing processes and product design, they cannot easily match lasting impressions in the minds of individuals mind organizations from years of marketing activity and product experience. In this sense, branding can be seen as a powerful means of secure a competitive advantage. (Kotler. et al, 2006 275)

2.4 The Scope of Branding

How then do you "brand" a product? Although firms provide the impetus to brand creation through marketing programs and other activities, ultimately a brand is something that resides in the minds of consumers. A brand is a perceptual entity that is rooted in reality but reflects the perceptions and perhaps even the idiosyncrasies of consumer. (Kotler. et al, 2006:275)

Branding is endowing products and services with the power of a brand. Branding is all about creating differences. To brand a product, it is necessary to teach consumers

"who" the product is by giving it a name and using other brand elements to help identify it as well as "what" the product does and "why" consumer should care. Branding involves creating mental structure and helping consumers organize their knowledge about products and service in away that clarifies their decision making and, in the process, provides value to the firm. (Kotler. et al, 2006: 276)

2.5 The Basic Brand

The basic of the brand are the core elements up on which first differentiation and then the brand personality are built. They are essential marketing mix elements: product feature such as choice of brand name, design, packaging, logo and color. The brand elements should be tested against tree criteria. (Doyle, 2002:166):-

- Do they support product performance? (For example does the pack keep the contents fresh? Is it easy to open? Is the distribution channel capable of efficient delivery and servicing?).
- Do they differentiate the brand, facilitating brand awareness and recall? (For example, is the brand name easy to remember? Is the advertising effective?).
- Do they contribute to the brand's positioning strategy? (For example, are the name, design and advertising consistent with the image the brand seeks to convey?). (Doyle, 2002:166)

2.6 Advertising, Promotion and the Brand

Brands need advertising, but some strong brands apparently do not. Some times they achieve this through public relations. There are many ways in which a brand can try to become famous. (Randall, 2004:67)

Brands need advertising, but some strong brands apparently do not. Some times they achieve this through public relations. There are many ways in which a brand can try to become famous. (Randall, 2004:67)

We can safely make three statements about brand communications.
- Every brand must have some means of communication with its buyers.

- Many other methods of communication are available, and can be used to gear up and multiply the effects of advertising. News worthiness and fame can be achieved, but the message has to be one that is really new and interesting.
- All the means of communication and the messages transmitted must be co-ordinate to make sure that they are saying the same thing. Confused consumers don't buy. (Randall, 2004:69)

In the following section, we will try to see elements of customer brand knowledge structure and brand equity by using a model.

2.7 Brand Equity

Brands vary in the amount of power and value they have in the market place. A powerful brand has high brand equity. It provides the company with many competitive advantages. (Kotler, 2006:249)

So what is brand equity?

Brand Equity is the value customers assign to a brand above and beyond any specific functional characteristics of the producer. This value stems from the consumer's perception of the brand's superiority and the social esteem that using it provides and the customer's trust and identification with the brand. Brand equity is nearly synonymous with the reputation of the brand. It is the value inherent in a well-known brand name. (Hawkins, 1992:277)

Keller defines brand equity as the differential effect that brand knowledge has on consumer response to the marketing of that brand. He identified three key ingredients to this definition. These are:-

- Differential effect
- Brand knowledge, and
- Consumer knowledge to marketing.

Thus, the power of a brand lies in the minds of customers and what they have experienced and learned about the brand over time. (Keller, 2004:41)

Brand equity can offer focus and guidance, providing marketers with a means to interpret their past marketing performance and design their future marketing programs. (Keller, 2004:41)

2.7.1 Brand Equity Models

Although there is agreement about basic principles, a number of models of brand equity offer some different perspectives. Here we briefly highlight four of the more established ones.

- Differentiation- measures the degree of to which a brand is seen as different from others.
- Relevance- measures the breadth of a brand's appeal.
- Esteem- measures how well the brand is regarded and respected.
- Knowledge- measures how familiar and intimate consumers are with the brand. (Kotler et. al, 2006:278-279)

2.7.2 Building Brand Equity

Marketers build brand equity by creating the right brand knowledge structures with the right consumer. This process depends on all brained related contacts whether marketer initiated or not. From a marketing management perspective, however, there are three main sets of brand equity drivers:

- The initial choices for the brand elements or identities making up the brand (e.g., brand names, logos, symbols characters, spokespeople, slogans, jingles, packages, and signage).
- The product and service and all accompanying marketing activities and supporting marketing programs.
- Other association indirectly transferred to the brand by linking it to some other entity (e.g., a person, place, or thing). (Kotler . et al, 2006:281)

2.7.3 Brand Element Choice Criteria

There are six criteria in choosing brand elements (as well as more specific choice consideration in each case). The first three (memorable, meaningful, and likable) can be characterized as "brand building" in terms of how brand equity can be built through the judicious choice of a brand element. The latter three (protect able, adaptable, and transferable) are more "defensive" and are concerned with how the brand equity contained in a brand elements can be leveraged and perceived in the face of different opportunities and constraints. (Kotler. el at, 2006:282)

- Memorable- how easily is the brand element recalled? How easily recognized?

- Meaningful- to what extent is the brand element credible and suggestive of the corresponding category? Dose it suggest something about a product ingredient or the type of person who might use the brand?

- Likeability- how aesthetically appealing do consumer find the brand element? Is it inherently likable visually, verbally, and in other way?

- Transferable- can the brand element be used to introduce new products in the same or different categories? To what extent dose the brand element add to brand equity across geographic boundaries and market segments?

- Adaptable- how adaptable and updatable is the brand element?

- Protectable- how legally protectable is the brand element? How competitively protectable? Can it be easily copied? It is important that names that become synonymous with product categories. (Kotler .et al,2006:282)

2.8. Brand Building Blocks

This section considers how a strong brand is built or created. Brand building blocks can be assembled in terms of a brand pyramid in which each lower level provides the foundation of the higher element. In other words, building a strong brand involves a serious of logical step: establishing the proper brand identity, creating the

appropriate brand meaning, eliciting the right brand response, and forging appropriate brand relationships with customers. (Keller, 2004:75)

As shown below, building a strong brand specifically involves establishing breadth and depth of brand awareness; creating strong, favorable and unique brand associations: eliciting positive, accessible brand responses; and forging intense, active brand relationships. Achieving these four steps, in turn, involves establishing six brand building blocks: brand salience, brand performance, brand imagery, brand judgment, brand feelings, and brand resonance. (Keller, 2004:75)
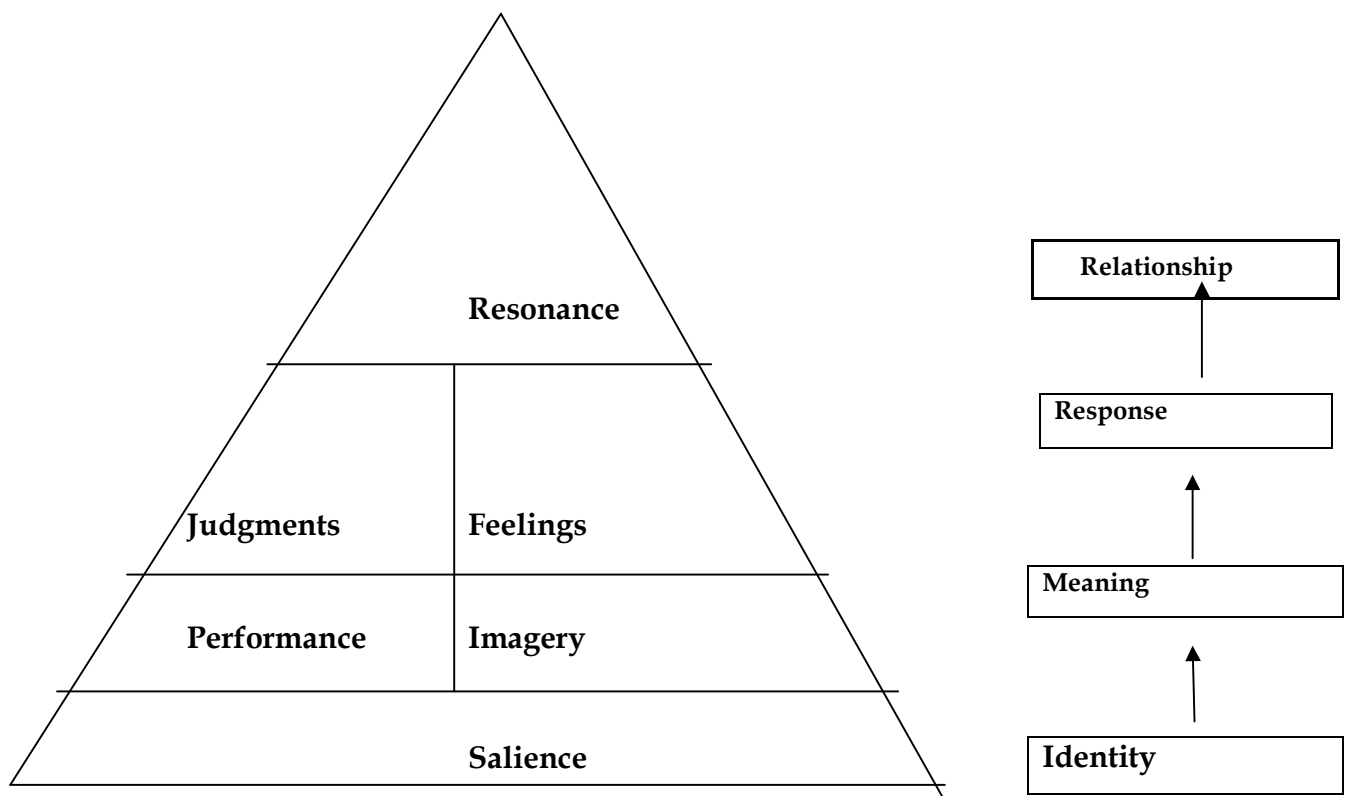

Figure-2.1 Customer-Based Brand Equity Pyramid (Keller, 2004:75)

2.8.1 Brand Salience

Achieving the right brand identity involves creating brand salience with customers. Brand salience with customers. Brand salience relates to aspects of the awareness of the brand. (Keller, 2004:76)

Brand salience is an important first step in building brand equity. A highly salient brand is one that customers always make sufficient purchase as well as always think of the brand across a variety of settings. Achieving the right brand identity involves creating brand salience with customers. It relates to aspects of the awareness of the brand. (Keller, 2004:76)

Brand Awareness- the accessibility of the brand to memory. Pierre. It refers to recall and recognize the brand, as reflected by their ability to identify the brand under different conditions. Brand awareness can be measured through brand recall or brand recognition. (Chandon, 2003:11).

Brand Recall- reflects the ability of consumers to retrieve the brand from memory when given the product category, the needs fulfilled by the category, or some other type of probe as cue. (Chandon, 2003:11)

Brand Recognition- relates to consumers' ability to confirm prior exposure to the brand when given the brand as a cue. (Keller, 2004:68)

Brand awareness can be characterized according to depth and breadth. The depth of brand awareness concerns the likelihood that a brand element will come to mind and ease with which it does so. The breadth of brand awareness concerns the range of purchase and usage situations in which the brand element comes to mind. (Keller, 2004:68)

2.8.2 Brand Performance

Designing and delivering a product that fully satisfies consumer needs and wants is a prerequisite for successful marketing. Brand performance relates to the ways in which the product or service attempts to meet customer's more functional needs. It

refers to the intrinsic properties of the brand in terms of inherent product or service characteristics. There are five important types of attributes and benefits that often underlie brand performance. (Keller 2004:82):-

- Primary ingredients and supplementary features
- Product reliability
- Service effectiveness, efficiency, and empathy
- Style & design
- Price

2.8.3 Brand Imagery

Brand image is defined as consumer perceptions of a brand as reflected by the brand associations held in consumers' memory. (Chandon, 2003:13).

In other words, brand imagery deals with the extrinsic properties of the product or service, including the ways in which the brand attempts to meet customer's psychological or social needs. It is how people think about a brand abstractly, rather than what they think the brand actually does. Thus, imagery refers to more intangible aspects of the brand. (Keller, 2003:83).

A positive brand image is created by marketing programs that links strong, favorable, and unique associations to the brand in memory. Imagery associations can be formed directly (from a consumer own experience and contact with the product, brand, target market, or usage situation) or from the identification of the brand with a company, country, channel of distribution or some particular person, place or event. (Keller, 2003:83)

Strength, Favorability and Uniqueness of Brand Association

Associations will vary in the strength of their connection to the brand node. Strength is a function of both the amount, or quantity, of processing that information receives as well as the nature or quality, of the processing. The more deeply a person thinks about product information and relates it to existing brand knowledge, the stronger

the resulting brand association. Favorable brand associations are created by convincing consumers that the brand posses relevant attribute and benefits that satisfy their needs and wants. Unique brand associations are distinct associations not shared with competing brands. Beliefs about unique attributes and benefits for brands that consumers value more favorably than competitive brands which can lead to a greater likelihood of the consumers choosing the former brands.
(Keller, 2004:84).

2.8.4 Brand Judgments

Brand judgments focus on customers' personal opinions and evaluations with regard to the brand. Brand Judgments involve how customers put together all the different performance and imagery associations of the brand to form different kinds of opinions. Customers may make all types of judgments with respect to a brand, but in terms of creating a strong brand, four types of summery brand judgments are particularly important: quality, credibility, consideration, and superiority.
(Keller, 2004:84)

2.8.5 Brand Feelings

Brand feelings are customers' emotional responses and reaction with respect to the brand. It is also relate to the social currency evoked by the brand. These feelings can be mild or intense and can be positive or negative. The emotions evoked by the brand can become so strongly associated that they are accessible during product consumption or use. Six types of feelings are identified. (Keller, 2004:90):-

- Warmth
- Fun
- Excitement
- Security
- Social approval
- Self-respect

2.8.6 Brand Resonance

Brand resonance refers to the nature of this relationship and the extent to which customers feel that they are 'in sync' with the brand. It has four dimensions.
(Keller, 2004:90):-

- Behavioral loyalty
- Attitudinal attachment
- Sense of community
- Active engagement

2.9 Brand Loyalty

Brand loyalty is a measure of how loyal your consumers and customers are over a period of time. If your customers primarily use your company's product, they are brand loyal. If they use your product a majority of the time but occasionally use your competitor's products, they are moderately brand loyalty. Low brand loyalty exists if brand or product switching occurs regularly in your or with your products. Brand loyalty is analyzed to provide insights in to the following issues.
(Roman. et al, 2003:86)

- How difficult it will be keep your own customers.
- How difficult it will be to steal market share from competitors.
- The degree of promotional offers that will be needed to induce trial.
- How much media weight will be necessary to increase trial, retrial, and sales.
- Whether a true product difference or innovation is needed to compete.

A product category with extremely high brand loyalty will require more media weight, larger promotional offers or inducements, and perhaps even a product innovation in order to steal market share from existing competitors. With a low brand loyalty product category it is extremely difficult to keep your own customers. But it is also easier to steal market share. (Roman. et al, 2003:87)

CHAPTER THREE

DATA PRESENTATION, ANALYSIS, AND INTERPRETATION

This chapter is dedicated to present data analysis that is made on all collected data through questioners and interview. Data are analyzed using SPSS, and its output is presented using different tables, graphs and charts.

Questionnaires were distributed to respondents who were found to the researcher's convenient areas such as:-Bole Airport Terminal workers and customers, St. Mary's University College students at Mexico Campus, friends, families and others. Out of 225 copies of questionnaires distributed, 200 were filled out thoroughly and returned while the rest were not returned or appropriately filled.

Interview was also conducted with Ato Teshome - commercial head of Apex Bottling Company.

In recent years many companies are entering in to the mineral water production in our country. Apex bottling company is one of them and it is pioneer in the industry. It has been established in 1996 by Ato Ermias Tekil Amerga. The company produces different kind of soft drinks. Some of it are Highland spring mineral water, Utopia bottled water, Royal tonic, cola soft drinks and different kinds of plastic products. Among its products, Highland spring mineral water has been a leader in the marketplace over the years.

As per the interview held with Ato Teshome, the company has a marketing department but it doesn't have a separate section who is fully in charge of branding activities of the firm. Thus, it doesn't undertake a brand survey. More over it doesn't have a separate brand strategy and brand program that specifically tailored to each product category.

The main competitors of Highland mineral water are Aqua Addis, Abyssinia, Real, Yes (the newly introduced mineral water), and Aqua safe. Regarding its position, highland mineral water is a leader in the market with a good market share. But now days, a very stiff competition is existing in the mineral water market.

In order to promote Highland, the company usually advertises its product via television to reinforce the name of the brand. One of the problems we encountered over Highland mineral water is that since it is a leader in the market, customers are unable to differentiate with other mineral waters. It has become synonymous with water. However, the company hasn't yet measured the extent of brand awareness and distinctiveness in the mind of the customer.

3.1 Background of the Respondents

From a total of 200 respondents, 142 (71%) of them are male while 58 (29%) of them are females. This indicates that male took the highest share than females in filling up the questionnaire as shown in fig 3.1 below.
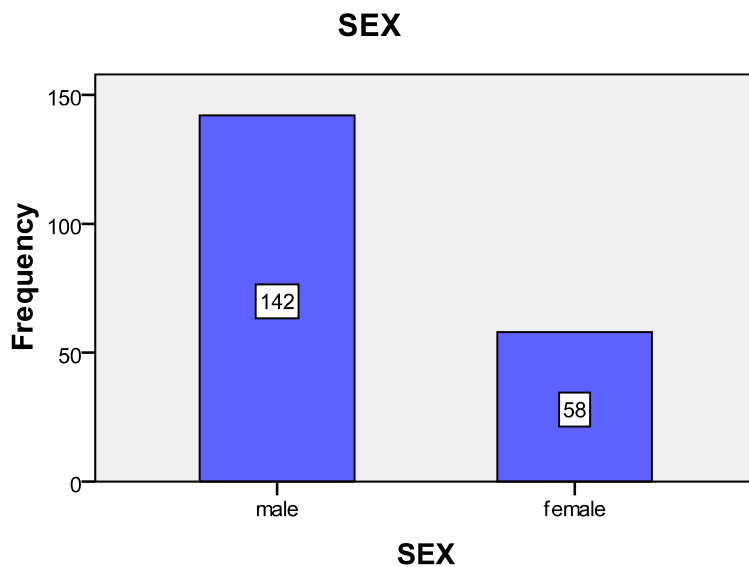
SEX

FIGURE 3.1 SHOWS SEX DISTRIBUTION OF RESPONDENTS

Regarding age group of respondents, it can be seen from the figure below that, the majority of the respondents age falls between 26 to 35 which is 116 (58%) The next highest age range falls between 15 to 25 which is 49 (24.5%). the study incorporated other age groups such as : 8.5%(17),7.5%(15), 1.5%(3) falls under age group of 36-45, 46-55 and above 56 respectively. This shows that most of the respondents are young.
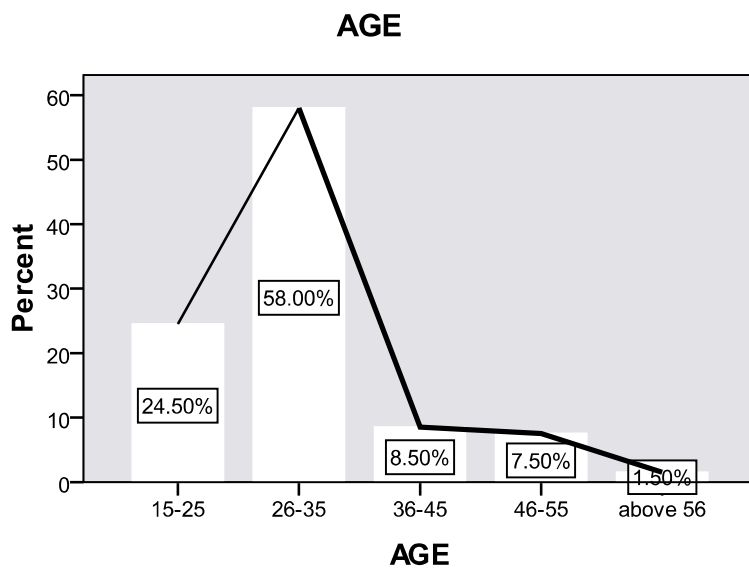
AGE

FIGURE 3.2-.SHOWS AGE GROUP OF RESPONDENTS
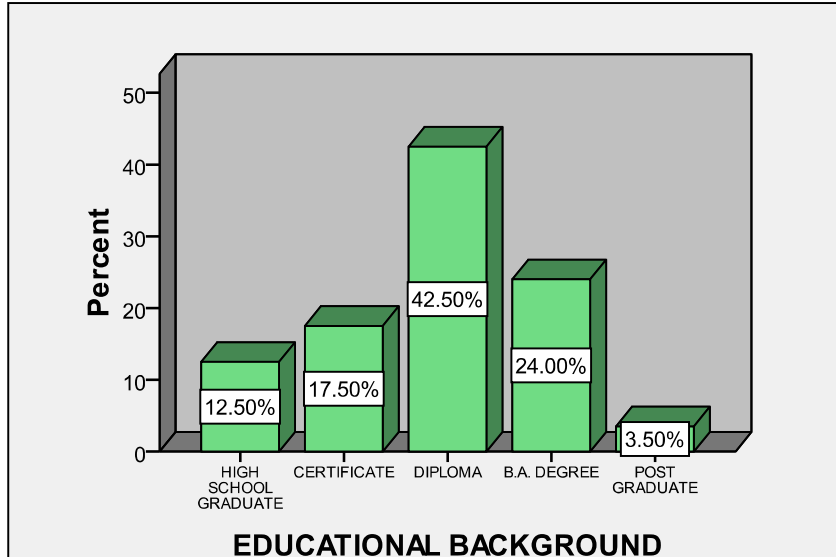
EDUCATIONAL BACKGROUND

FIGURE 3.3-SHOWS EDUCATIONAL BACKGROUND OF RESPONDENTS

As can be seen from fig 3.3, 42.50 %(85) of the respondents are diploma holders, 24 % (48) are degree holders, 17.5 %(35) are certificate holders while 12.5 %(25) & 3.5 %(7) are high school graduate and post graduate respectively. This shows that respondents can reasonably fill out the entire question posed to them.

Respondents were also asked to provide information on their occupational status. As it is indicated in the graph in the next page 56.5% (113) of the respondents have said that they work in government organizations, 32 %(64) work in non government organizations while the rest 11% (23) of the respondents are either students or don't work at all. From this we can say that, the majority of the respondents can afford to buy and drink mineral water. Moreover, from the above figures we can infer that people who work in government organization are heavy users of the product.
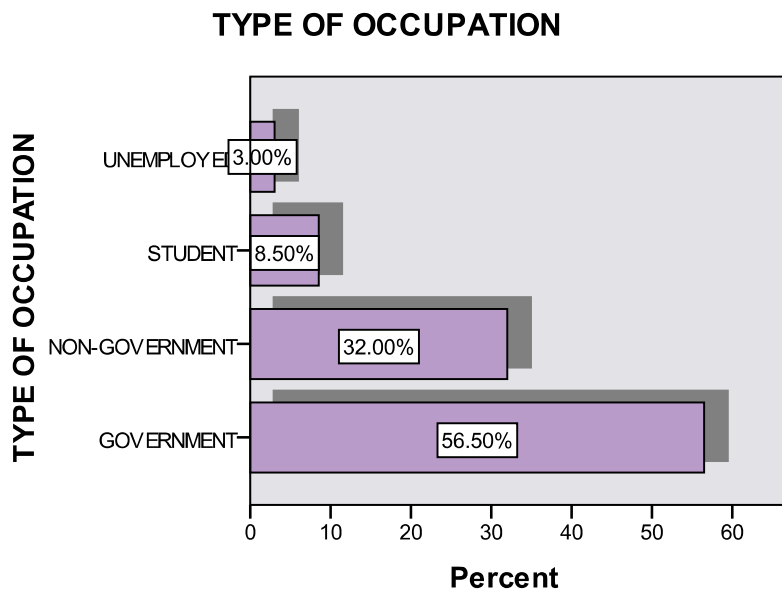
TYPE OF OCCUPATION

Horizontal bar chart titled "TYPE OF OCCUPATION". Y-axis labeled "TYPE OF OCCUPATION", X-axis labeled "Percent".

- UNEMPLOYED: 3.00%
- STUDENT: 8.50%
- NON-GOVERNMENT: 32.00%
- GOVERNMENT: 56.50%

FIGURE 3.4-SHOWS TYPE OF OCCUPATION OF THE RESPONDENTS

3.2. Responses Related to the Product

The first question provided to the respondents was whether they have purchased a purified mineral water with out gas or not. As can be seen from fig 3.5 on the next page almost all of the respondents 196(98%) said they have purchased a mineral water. However, a very small percentage of the respondents 4 (2%) have said that they have never purchased a purified mineral water. This shows that most people purchase purified mineral water.

HAVE YOU PURCHASED MINERAL WATER?

FIGURE 3.5-SHOWS PURCHASE OF MINERAL WATERS BY RESPONDENTS

Respondents, who purchased a purified mineral water, were asked how often they purchase mineral water per week. As shown in the pie chart in the next page half of the respondents 102 (51%) buy mineral water when needed. Where as the rest half 78 & 20 (39% and 10%) of the respondents buy mineral water sometimes and daily respectively. This means that consumers are not a regular buyer of a single brand they buy it mostly when the need arises. Thus, the company's advertisement should be able to penetrate the mind and heart of the consumer.

HOW OFTEN YOU PURCHASE MINERAL WATER?

Legend:
- DAILY
- WHEN NEEDED
- SOMETIMES
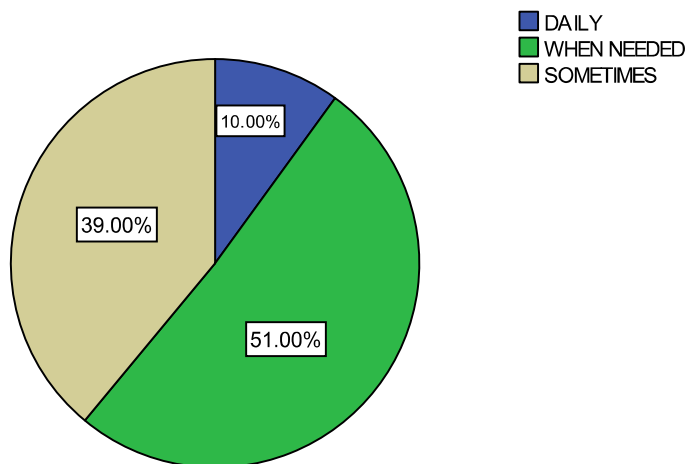
- 10.00%
- 39.00%
- 51.00%

FIGURE 3.6-SHOWS HOW OFTEN RESPONDENTS PURCHASE MINERAL WATER

Respondents were asked to list four brands of bottled mineral waters which come easily in to their minds. As discussed in the literature review section, brand awareness is a function of brand recall and recognizes which is reflected by the ability to identify the brand under different conditions. Brand recall is the ability of consumers to retrieve the brand from memory, (Keller 68:2008). Accordingly, 124(62%) of the respondents have prioritized *Highland* as their number one choice among the four lists they have in their mind. Where as 24(12%), 21(10.5%), and 19(9.5%) of the respondents have chosen *Aqua Addis, Abyssinia,* and *yes* as their number one respectively. The rest of the respondents 12(6%) cited other mineral waters such as *Aqua safe, Real, Cool,* and *Utopia,* as their number one as can be seen in the table on the next page. This shows that Highland springs mineral water is still occupy an important place in the mind of the customers. However, Apex Bottling Company should give emphasis in tracking those close competitors.

Brands of mineral water	Respondent's First choice	Percentage
Highland	124	62%
Aqua Addis	24	12%
Abyssinia	21	10.5%
yes	19	9.5%
others	12	6%
TOTAL	**200**	**100%**

TABLE 3.1-SHOWS BRANDS OF MINERAL WATER THAT COMES TO RESPONDENTS MIND

All of the respondents 200 (100%) have said "yes" for the question whether they have ever seen or heard about highland mineral water. This shows how strong the brand of highland in the market. In contrast, they were asked from what source they have heard about highland. As can be seen from fig 3.7, on the next page the majority of the respondents which are 152(76%) have heard about Highland through advertisements. However, a smaller percentage of the respondents 23(11.5%), 17(8.5%) & 8(4%) have heard through other than advertisements such as from friends, family member and other sources respectively. From this we can deduce that, the firm's advertising effort to advertise Highland water is remarkable.

HOW DID YOU HEARD OR SEEN ABOUT HIGHLAND

Chart showing source of information (Percent):
- OTHER: 4.00%
- FROM FAMILY: 8.50%
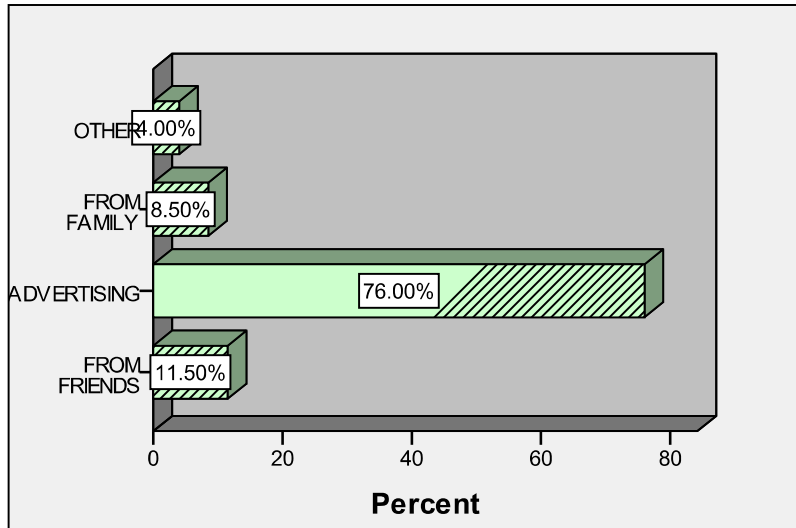- ADVERTISING: 76.00%
- FROM FRIENDS: 11.50%

FIGURE 3.7-SHOWS RESPONDENTS SOURCE OF INFORMATION

 Respondents were asked to fill the name of Highland on the space provided along with mineral waters in order to test how well they recognize Highland than others. This is because, brand recognition relates to consumer's prior exposure to the brand (Keller, 2003). Accordingly, 176 (88%) of the respondents have completed the missing words of Highland accurately. They also completed the missing words of Aqua Addis almost as accurately as Highland 166 (83%). But, the missing words of *Utopia* water were found to be difficult for respondents 26 (13%) to fill it out accurately. This shows that the brand of Highland water is well recognized. But, attention should also be given to the competing brands as well.

Participants have rated the attractiveness of the label of Highland. According to Philip Kotler, an attractive name, symbol, or logo helps to identify the product, differentiate from other competitors and will bring the brand in to mind. Kotler (2006:243). Half of the respondents100 (50%) and 57(28.5%) of the respondents have said the attractiveness of the label of Highland is good and very good

respectively. However, a smaller percentage of the respondents (16.5%, 5%) consider it as normal and poor respectively. This shows that the company should do more to make the attractiveness of the label very good.

HOW DO YOU RATE THE ATTRACTIVNESS OF THE LABEL?

- VERY GOOD
- GOOD
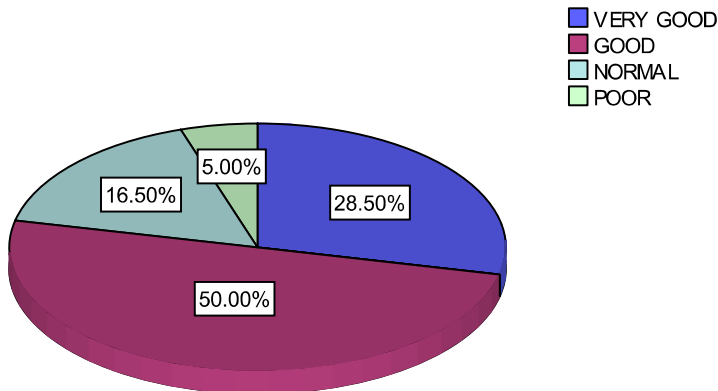- NORMAL
- POOR

5.00%
16.50%
28.50%
50.00%

FIGURE 3.8-SHOWS THE ATTRACTIVNESS OF HIGHLAND MINERAL WATER LABEL

Respondents gave their opinions to the bottle design of Highland. As we can see from the figure on the next page, equal number of respondents 68(34%) have said that the design of the bottle is very good and good respectively. Where as the rest of the respondents 51 & 13 (25.5%, 6.5%) consider the bottle design as normal and poor respectively. This shows that even if the majority considered the bottle design as good, the company should constantly do it's best to make the bottle design of highland attractive as this can have an impact over the brand of Highland.
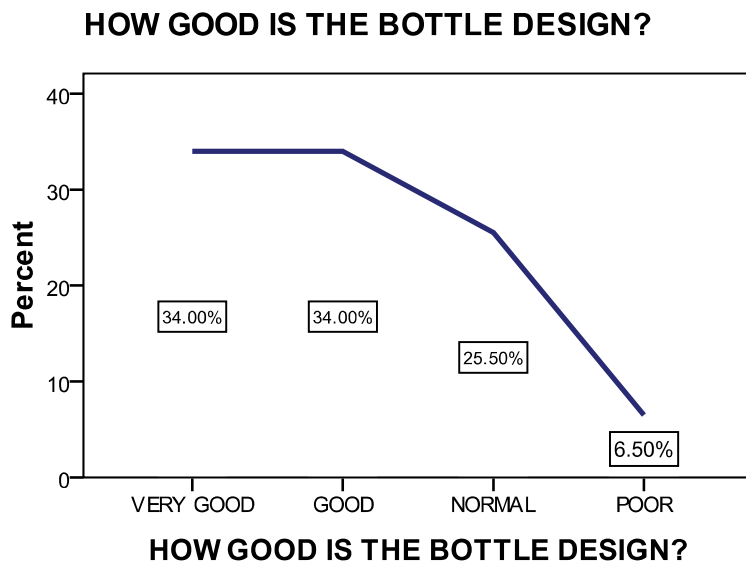
HOW GOOD IS THE BOTTLE DESIGN?

FIGURE3.9-SHOWS RESPONDENTS OPINION ON THE BOTTLE DESIGN OF HIGHLAND

Respondents were asked if Highland mineral water is Unique among other mineral waters. Their response have showed that above half of the respondents 113 (56.5%) do not think highland mineral water is unique among other waters. In the contrary, 87 (43.5%) of the respondents do consider that Highland is unique. This shows that, the company needs to work very hard to make its product considered unique in the mind of the consumer. This is depicted in fig 3.10.

Among the respondents who think Highland as unique, mentioned their reason why they consider it unique. Some of their reasons are the following:-

- it is tasty
- it is the most purified water
- it is healthy
- it is light when you drink it
- it's quality
- you can transport it from place to place
- it is thrust quenching

DO YOU THINK HIGHLAND MINERAL WATER IS UNIQUE AMONG OTHER WATERS?
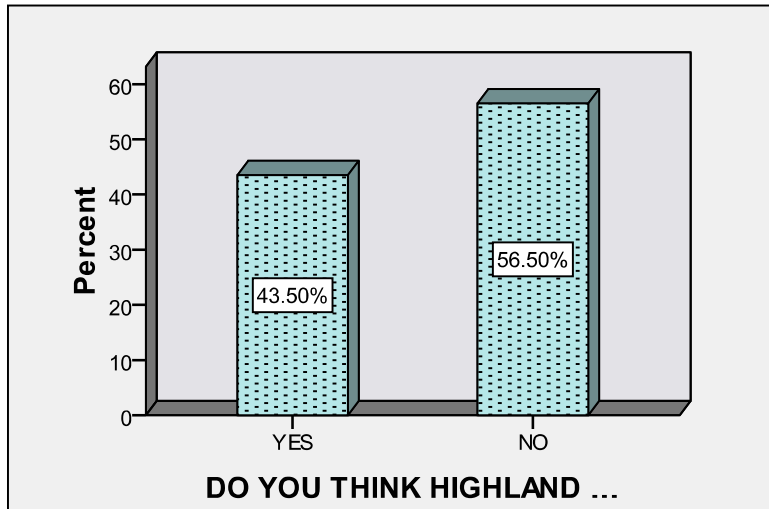
FIGURE 3.10-SHOWS RESPONDENTS OPINION ON UNIQUNESS OF HIGHLAND

In response to brand loyalty, many of the respondents 78.5 %(157) have said that they are not loyal to highland. However, a smaller number of the respondents 21.5 %(43) responded that they are loyal to Highland mineral water. Since many competing mineral waters are present in the market, customers can easily shift to other mineral waters. So, the company should try very hard to differentiate Highland water from other competing brands in order to build its brand loyalty.

ARE YOU LOYAL CUSTOMER TO HIGHLAND WATER?
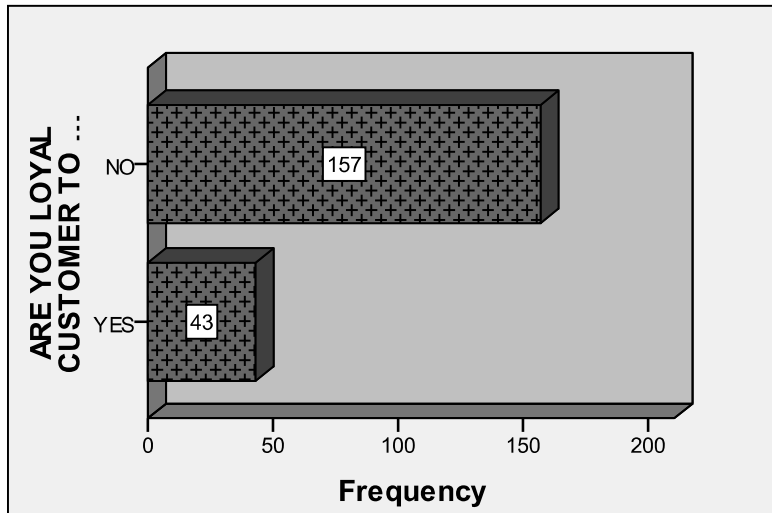
FIGURE 3.11- SHOWS RESPONDENTS BRAND LOYALITY TO HIGHLAND

As a matter of fact, a loyal customer to a certain brand is expected to recommend to many other persons. This will bring a lot of customers to the company. Accordingly, participants were asked about how likely to recommend highland to others. As can be seen in the fig on the next page, 59 (29.5%) of the respondents are in medium to recommend it to other, 42 (21%) very good (Very highly) likely to recommend it, where as 34 (17%), 27 (13.5%), 38 (19%) has shown to recommend good, poor and very poor to recommend it to others. This shows that the company must develop strategies in order to bring loyal customers more to the company. One way is to advertise more.

RECOMMEND HIGHLAND TO OTHERS

Legend:
- VERY GOOD
- GOOD
- MEDIUM
- POOR
- VERY POOR

21.00%
17.00%
29.50%
13.50%
19.00%
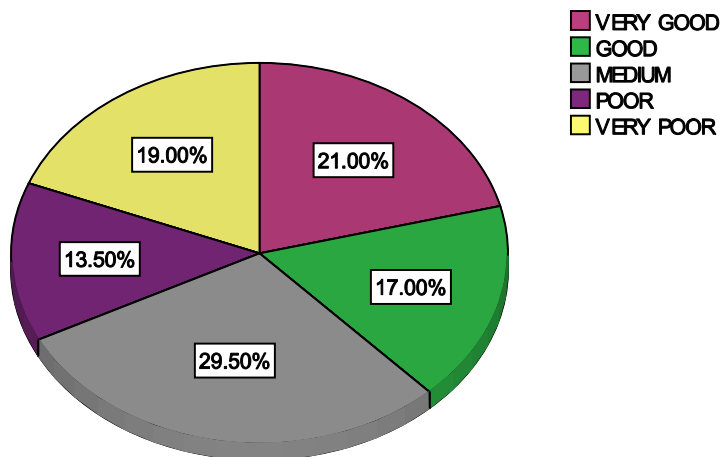
FIGURE 3.12-SHOWS RESPONDENTS RECOMMENDATION OF HIGHLAND TO OTHERS

Finally, respondents were assessed what they will do when Highland is not available in the market. As the following fig 3.13 confirms, almost all of the respondents (195) have responded that they will switch to other mineral waters. Only 5 of the respondents will wait. This shows that how easily Highland mineral water is substituted with other mineral water.
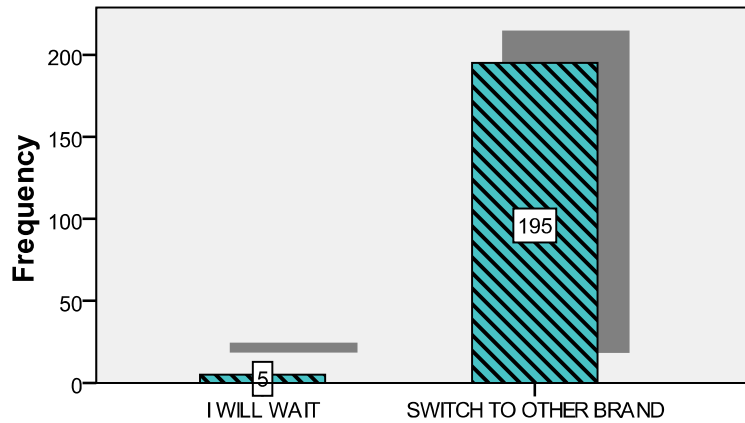
IF HIGHLAND IS NOT AVAILABLE WHAT WILL YOU DO?

FIGURE 3.13-SHOWS REPONDENTS REACTION IF HIGHLAND IS NOT AVAILABLE

In contrast to the above, respondents were asked to mention which mineral water they buy if Highland is not available. The majority mentioned the flowing:-

- Aqua Addis
- Aqua Safe
- Abyssinia
- Yes
- Real
- Origin
- Utopia
- Any mineral water available in the market

CHAPTER FOUR

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

4.1 Summary of the Major Findings

The major findings of the research are listed as follows:-

- Among the respondents 71% of them were male while the rest29% were female.
- Age wise most of the respondents were between the ages of 26 to 35.
- With regard to education level, majority of the respondents were diploma holder's they represent about 42.5%.
- Respondents who work in government organization are the dominant respondent which is 56.5% of the total.
- Almost all the respondents which are 98% said that they purchase a purified mineral water.
- More than 60% of the respondent have prioritized highland as their number one choice.
- All of the respondents 100% of them are known about highland and 76% of them are heard about highland from advertisement.
- More than half of the respondents (56.5%) do not think highland spring mineral water is unique among other mineral water.
- With regard to the label of highland 50% of them respond that the label is good.
- Of the 100% respondent's majority of them rated the bottle design of highland as good.
- Many of the respondents which are 78.5%of them are not loyal customers of highland.
- The majority of the respondents respond that if highland is not available they purchase other mineral water and among that some of them are :-

-Aqua Addis

-Abyssinia

-Aqua Safe

-Yes

-Real

-Origin

-Utopia

-Any mineral water available in the market.

As to the interview response conducted according to the commercial head of Apex bottling company Ato Teshoma. His view summarized as, the company produce different kinds of product. These are highland spring mineral water, royal crown cola soft drink, utopia bottled water and different kinds of plastic product. Among these product highland spring mineral water is the most known and the leader in the market with high market share.

The company has marketing department but it doesn't have a separate section who is responsible for branding activity. Thus they don't conduct a brand survey in order to measure the brand awareness of the product. And it doesn't have also a separate brand strategy and brand program for its product. The main competitors of highland are Aqua Addis, Abyssinia, Real, Yes, and Aqua Safe. The companies also advertise its products via television in order to promote the brand of highland.

One of the problems that the company encounter over highland mineral water is customer is unable to differentiate with other mineral water and it has become synonymous with water.

4.2 Conclusions

The overall concepts and facts mentioned were analyzed in the cases of Highland springs mineral water and it was found out that:

- Apex bottling company doesn't have a separate marketing section who is fully in charge of the branding activities of the firm and/or Highland springs mineral water.

- Apex bottling company don't have a separate brand strategy and brand program for its highland springs mineral water

- The main competitors to Highland spring mineral waters are Aqua Addis, Abyssinia, Real, Yes (the newly introduced mineral water), and Aqua safe.

- Despite stiff competition exist in the market, Highland springs mineral water is still a leader in the market. However, customers are considering Highland synonymous with any water whenever they want to buy mineral water.

- Apex Bottling Company hasn't yet measured the extent of brand awareness and distinctiveness in the mind of the customer.

- All of the respondents who take part in the study have bought mineral water. Among them, half of the respondents buy mineral water whenever they needed.

- Respondents have prioritized highland spring mineral water as top among other four mineral waters they know in their mind. This is good for the company and needs to work very hard on other competing brands as well.

- All of the respondents have heard about the name of Highland springs mineral water. They said that they heard it through advertisement. This indicates that the company's advertisement effort is remarkable and the name of Highland in the market is still strong easily be recognized.

- About half of the respondents consider the attractiveness of the label and bottle design as some how good. This shows that the company needs to do

more to make the attractiveness of the label and the bottle design of Highland to look good.

▪ Many of the respondents have said that they don't consider Highland as unique and hence they are not loyal customers to Highland since if they don't get it in the market, they easily switch to other available waters in the market. This indicates that they don't such recommend Highland to others.

▪ Finally respondents were asked to list down Mineral waters they buy if Highland is not available in the market. They listed the flowing mineral waters:

- Aqua Addis   - Yes

-Aqua safe   - Real

-Abyssinia   -Origin

-Utopia

4.3 Recommendations

The study has confirmed that highland springs mineral water is still a leader in the purified spring water (with out gas) market. However, with the minimum branding   practices of the company and stiff competition existing in the market, the company would soon loose its reputation and its market share unless some positive measure undertake.

Up on the findings of the study, the student researcher would like to provide the following recommendations for the company in order to strengthen the branding practices of Apex bottling Company.

➢ The company should establish a separate brand department which is fully responsible of the branding activities of the firm with in the marketing department.

- The company should develop a brand strategy and brand program for highland springs mineral water.
- Officials of Apex Bottling Company must adapt themselves with the concept of brand management.
- The company should stress its advertisement on the uniqueness of Highland springs mineral water
- The company must under take a brand survey periodically and should measure customers brand awareness and distinctiveness in the mind of the customer as compared with other competing mineral waters.
- The company should monitor the branding activities of the competing firms.
- The attractiveness of the label of Highland spring's mineral water and its bottle design needs to be improved further.
- The company should design ways to develop customers brand loyalty. One such way is by opening its own Highland shops and by distributing refrigerators to different retailers or bars in the city.

4.3 Future Research Indications

Many firms are established in order to sell a certain product or give a certain service. This requires establishing different departments within the organization to carry out the firm's task efficiently and profitability. One evolving trend with in the marketing department is to manage separately the brands of the firm as competition is towards catching enough space in the minds of consumers.

In order to stay in the market, companies must apply the concepts and the practices of branding. This requires undertaking many researches. However, there is a near absence of research in this area. Thus, marketing practitioners, students and other researchers need to work in this vast area.

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APPENDIX

Appendix- A

St. Mary's University College

Faculty of Business

Department of Marketing Management

Questionnaire to be Filled by Customers of Highland Spring Mineral Water

Dear Respondents;

This questionnaire is prepared by student researcher, a prospective graduate in the field of marketing management at St. Mary's University College, to collect information for the partial fulfillment of research paper. The main objective is to gather information in order to know **the practices of Branding with regard to highland spring mineral water.**

The validity of your answer has paramount importance for the outcome of the research. Thus, you are kindly requested to fill this questionnaire honesty and at most care. Put "✓" mark on the box of your choice and write your additional answer on the space provided

Thanking you in advance for your sincere cooperation!

- ▪ **General characteristics of Respondents**

2 Sex

    A. Male   ☐

    B. Female   ☐

3 Age

    A. 15-25 ☐   C. 36-45 ☐

    B. 26-35 ☐   D. 46-55 ☐   E. Above 56 ☐

4 Educational background?

    A. High School Graduate ☐   D. B.A. Degree ☐

    B. Certificate ☐   E. Post Graduate ☐

    C. Diploma ☐

4. Type of Occupational?

    A. Government ☐   C. Student ☐

    B. None Government ☐   D. Unemployed ☐

- **Questions Related with the Product**

5. Have you ever purchased purified mineral water without gas?

    A. Yes ☐

    B. No ☐

6. If your answer is **"yes"** for question **No 5** please indicate how often you purchase mineral water per week?

    A. Daily ☐

    B. When needed ☐

    C. Sometimes ☐

7. When you think of bottled water, which bottle of mineral water comes into your mind? (Please list them interims of there priority)

    1. _____   3. _____

    2. _____   4. _____

8. Have you ever seen or heard about highland spring mineral water?

    A. Yes ☐   B. No ☐

9. If your answer is **"yes"** for question **No 8** how did you seen or heard about Highland?

    A. From friend's ☐   C. From family ☐

    B. advertising ☐   D. other (please specify)_____

9. Please complete the following words

    A. A_ _ _a Add__s

    B. H_ _ _hl _nd

    C. u__ __ P__ a

10. How do you rate the attractiveness of the label of Highland (name, symbol, Logo)

    A. Very good ☐   D. Poor ☐

    B. Good ☐   E. Very poor ☐

    C. Normal ☐

11. How good is the bottle design of high land?

    A. Very good ☐   D. Poor ☐

    B. Good ☐   E. Very poor ☐

    C. Normal ☐

12. Do you think Highland mineral water is unique among other mineral waters?

    A. Yes ☐

    B. No ☐

13. If your answer is **"yes"** for question **No 13**, please mention how unique the brand of high land is from any other competing products?

    _____

14. Do you think you are loyal customer to Highland mineral water?

    A. Yes ☐

    B. No ☐

15. How likely would you be to recommend Highland to others?

    A. Very good ☐   D. Poor ☐

    B. Good ☐   E. Very poor ☐

    C. Medium ☐

16. If high land is not available what will you do?

    A. I will wait

    B. I will switch to another brand

17. If your answer is **"B"** which bottle of water will you buy?

    _____

Many Thanks!

St. Mary's University College
Faculty of Business
Department of Marketing Management

Interview Questions for Management of Apex Bottling Pvt. Ltd Company

Dear Manager,

I am a prospective graduate student at St. Mary's university college in the department of Marketing Management.

I am working on the practice of Branding in your company with reference to highland spring mineral water. The information that you are going to provide will be treated as confidential and used only for the research purpose.

Thank you, in advance for giving me your time and energy to answer the following question.

1. How many products do you currently produce?
2. Do you have a separate section with in the marketing department who is in charge of brand management?
3. How frequently do you undertake a brand survey for your products?
4. What are your main competitors for highland water?
5. What is the position of highland water as compared to competitors?
6. What is its relative market share?
7. What are some of the problems encountered related with the brand of highland spring mineral water?
8. What major activities do you undertake to promote the brand of highland spring water in the mind of the customer?
9. What extent your company goes to measure the awareness and the distinctiveness of the brand of highland spring mineral water in the mind of customer.

The Candidate's Declaration

I the under signed, declare that this senior essay is my original work, prepared under the guidance of **Ato Yalew Gorfu**. All sources of materials used for the manuscript have been duly acknowledged

Name _____

Signature _____

Place of submission _____

Date of submission _____

Advisor Declaration

This paper has been submitted for examination with my approval as the university college advisor

Name _____

Signature _____

Date _____