



**ST. MARY'S UNIVERSITY COLLEGE**  
**SCHOOL OF GRADUATE STUDIES**

**THE DETERMINANTS OF BRAND LOYALTY IN THE CASE OF**  
**ZEBIDAR BREWERY SC**

**BY**  
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**MAY, 2019**

**ADDISABABA, ETHIOPIA**

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**BY  
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**ADVISOR: ADANECH GEDEFAW (ASS. PROF)**

**A THESIS SUBMITTED TO ST.MARY'S UNIVERSITY COLLEGE, SCHOOL  
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**MAY, 2019  
ADDIS ABABA, ETHIOPIA**

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## **Declaration**

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

**Yitayachew Biniam Yosef**

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**St. Mary University College, Addis Ababa**

**May, 2019**

## **Endorsement**

This thesis has been submitted to St. Mary's University College, School of Graduate Studies for examination with my approval as a university advisor.

**Adanech Gedefaw (Ass. Proff)**

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**Advisor**

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**Signature**

**St. Mary University College, Addis Ababa**

**May, 2019**

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## **List of Abbreviations**

- ❖ SPSS: Statistical Package for the Social Science
- ❖ TVET: Technical and vocational Education and Training
- ❖ VIF: Variance Inflation Factor
- ❖ OLS: Ordinary Least Squares

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### ***Abstract***

*Loyalty is a distinct concept that is often measured in a behavioral sense through the number of repeat purchases. The study examine on the determinants of brand loyalty in the case of Zebidar Brewery S.C. The study has used both primary and secondary data types. The primary data was collected using questionnaire from customers' of Zebidar Beer. The sample size includes 138 users of the beer. Convenience sampling technique was used to select the desired number of sample customers'. After the data has been collected, it was analyzed using descriptive statistics and inferential statistics. For identifying the effect of the determinants multiple regression was adopted after testing all the necessary assumptions required. The result shows that all the identified four determinants were found to statistically influence customers' loyalty where price possess the highest influence. As a result the company is recommended to consider all the determinants in its operation and marketing activity to create long lasting loyalty with its customers'.*

***Key words:*** Loyalty, Zebidar Brewery S.C,

## **CHAPTER ONE: INTRODUCTION**

### **1.1 Background of the Study**

According to Kumar, Donthu, Lee (2006), the success of a firm depends largely on its capability to attract consumers towards its brands. In particular, it is critical for the survival of the brand. Firms selling brand with high rate of loyal consumers have a competitive advantage over other firms. Brand loyal consumers reduce the marketing costs of the firm as the costs of attracting a new customer have been found to be about six times higher than the costs of retaining an old one.

Brand loyal consumers are willing to pay higher prices and are fewer prices sensitive. Brand loyalty also provides the firm with trade leverage and valuable time to respond to competitive moves. In sum, loyalty to the firm's brands represents a strategic asset which has been identified as a major source of the brands' equity. Given the importance of brand loyalty, it is not surprising that it has received considerable attention in the marketing Kumar et al. (2006).

Consumer brand loyalty is what makes brands worth millions or billions of birr. Many top brands have been market leaders for years despite the fact that there undoubtedly have been many changes in both consumer attitude and competitive activity over a period of time. Consumers have valued these brands for what they are and what they represent sufficiently enough to stick with them and reject the overtures of competitors, creating a steady stream of revenue for the firm (Hofmeyr and Rice, 2000).

Researchers define brand commitment as the “clinch facet” of brand preference and brand loyalty as the “attitudinal facet”. Commitment though is a stronger expression of brand preference and brand loyalty. Someone may favorably evaluate a brand and repeat buy the brand, but still not be truly committed to the brand (Keller, 1998).

## **1.2 Statement of the Problem**

Over the past decades, there has been a growing recognition among researchers and practitioners that a completed understanding of brand loyalty formation represents a source of global advantage. A number of studies have investigated the advantage of customer focused brand loyalty and their potential to achieve super results. From a practical perspective, it is important to figure out how brand loyalty can be reinforced in order to enhance the overall brand experience. To date, the study of perceived quality, and satisfaction factors related to brand loyalty have dominated the service literature. The bases for these discussions have been both operational and conceptual, with particular attention paid to identifying the relationships between the two factors (Brady and Robertson, 2001).

This study particularly focused on the importance of customer orientation with these determinants on brand loyalty because the concept of customer orientation has evolved into the core of strategic marketing (Brady and Robertson, 2001). To formulate a successful service marketing strategy in the Ethiopian markets, companies need a deeper understanding of how customer orientation plays a significant role in the relationship between brand loyalty and its determinants and how it translates into brand loyalty.

A number of researchers have examined the relationships between image, satisfaction and loyalty in the retail and service industry (Hung, 2008). For example, in a study of retail store image (Hung, 2008) found that image towards the store has an indirect effect on store loyalty through store satisfaction. In contrast, (Kumar et al., 2006,) found that image has an indirect impact on loyalty through perceived quality but not through customer satisfaction in a retail bank context. On the other hand, Kandampully and Suhartanto (2000) found that the image attributes and image holistic have significant effects on customer loyalty in the hotel setting. Similarly, Koo (2003) found that some of the store image attributes have direct impact on store loyalty, while the impact of store satisfaction on store loyalty is not significant.

Although the findings above showing the relationship between image, satisfaction and loyalty are inconclusive, it is important to note that different products may differ from each other as they each have unique characteristics of image attributes which cannot be

generalized to other products categories. Therefore, the determinants of brand loyalty need to be further validated in brewery industries. Most of the research in brand loyalty in brewery has been conducted in developed countries and hence the need to study the determinants of brand loyalty in brewery industry, in a developing country like Ethiopia.

Most of the studies discussed above related to research conducted outside Addis Ababa and for products other than brewery products. It is important to note that different products may differ from each other as they each have unique characteristics of image attributes which cannot be generalized to other products categories. Therefore, the determinants of brand loyalty need to be further validated in other product categories like the brewery. This study will seek to understand the influence that brand trust, perceived quality, brand name and customer satisfaction has on brand loyalty in brewery products. This will add to the knowledge base of brand loyalty in brewery products.

This study is seeking to understand the influence that brand trust, perceived quality, brand name, price and customer satisfaction has on brand loyalty in brewery industry in Addis Ababa, Ethiopia.

### **1.3. Research questions**

The following are the research questions that are formulated:

- i. Does brand trust influence brand loyalty in Zebidar Brewery?
- ii. Does perceived value influence brand loyalty in brewery industry of Zebidar Brewery?
- iii. Does perceived customer satisfaction influence brand loyalty in brewery industry of Zebidar Brewery?
- iv. Does brand price influence brand loyalty in brewery industry of Zebidar Brewery?
- v. How is the relationship among trust, perceived value, perceived customer satisfaction and price determinants?



## **1.4. Objectives of the study**

### **1.4.1 General objective**

The main objective of this study is to examine the determinants of brand loyalty in Zebidar beer.

### **1.4.2 Specific objective**

The specific objective of the study is to:

- ✓ To examine the impact of brand trust on brand loyalty.
- ✓ To investigate the influence of perceived value on brand loyalty.
- ✓ To evaluate the relationship between customer satisfaction and brand loyalty.
- ✓ To investigate the relationship between brand price and brand loyalty.
- ✓ To examine the relationship among trust, perceived value, perceived customer satisfaction and price determinants

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

This study will be significant in the brand loyalty of its product in Zebidar Brewery. This study will also be relevant to companies in the product industry to determine the various factors that influence brand loyalty which enable them to adjust their strategies. It also helps the firms to properly utilize their resources, increase their profitability and growth. Again, the study informs both researchers and firms the reason why consumers switch from one brand to another and the implications of brand loyalty to their products.

The outcomes of the study help Zebidar Brewery to know strength and weakness of its brand loyalty so that it can improve and refine its strategy. The last but not the least, it is significant to the researcher to apply what is learned in the present year and the researcher believes that this study will be used as a foot step and also a reference for other researcher.

## **1.6 Scope of the study**

In order to make the research study manageable the researcher focuses its scope on theoretically, methodologically, and geographically.

**Geographically:** There are a number of brewers in the industry; as a result it is difficult to consider all the available businesses in this study due to a shortage of time and budget. Therefore the study has only focused on Zebidar Brewery in Addis Ababa.

**Methodologically;** the researcher has used mixed methodology, both quantitative and qualitative research in which quantitative approach allows the researcher to establish the strong relationship between variables but the qualitative research has enabled the researcher to explore the reasons for those relationships.

**Theoretically;** brand loyalty has been extensively discussed in traditional marketing literature with the main emphasis on two different dimensions of the concept: behavioral and attitudinal loyalty. As a result this study will only focus on attitudinal loyalty.

### **1.7 Limitation of the Study**

The researcher has come across a number of challenges which have due impact on the study. Among these: lack of recently published books and references on the specific topic of study. In addition, there was a challenge in convincing customers of the beer to participate in the study and some were not willing additionally some didn't provide well-organized information about Zebidar Brewery.

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

This study is categorized into five chapters. The first chapter concentrates on introductory parts of the paper that mainly pinpoints the background of the study, the statement of the problems, objective of the study, significance of the study, scope and limitation of the study. The second chapter provides related literature review with specific emphasis to theoretical, methodological and empirical aspects. The third chapter deals with research methodology and design. The fourth chapter focuses on data analysis and discussion of results and finally, summary of major findings, conclusion and recommendation were provided in the fifth chapter.

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

This chapter focused on the review of literature and analyze past studies related to brand loyalty and determinants of brand loyalty. It includes theoretical and empirical reviews from past studies. Critical review and the summary of the literature were carried out in this part of the study.

### **2.1 The Concept of Brand Loyalty**

Literature on branding and brand loyalty contains many different approaches to define the concept of brand loyalty. These range from preference, to repeat purchase, to various degrees of commitment. (Keller, 1998) maintains that loyalty is a distinct concept that is often measured in a behavioral sense through the number of repeat purchases.

Consumers may be in the habit of buying a particular brand without really thinking about why they do so. Continual purchasing of a preferred brand may simply result because the brand is prominently stocked or frequently promoted. When consumers are confronted by a new or resurgent competitor providing compelling reasons to switch, their ties to the brand may be tested for the first time.

The attachment a consumer has to a brand is a measure of brand loyalty and reflects how likely the consumer is to switch to another brand, especially when the brand is changed, either in price or product features.

If consumers purchase a brand repeatedly without attachment it is then called behavioral loyalty. When a consumer purchases repeatedly with attachment the consumer will be both behaviorally and attitudinally loyal. (Hofmeyr and Rice, 2000). Loyalty towards buying or using a specific brand of product is created when a brand becomes a consumer's preferred choice. Consumer brand loyalty is what makes brands worth millions or billions of birr. Many top brands have been market leaders for years despite the fact that there undoubtedly have been many changes in both consumer attitude and competitive activity over a period of time. Consumers have valued these brands for what they are and what they represent sufficiently enough to stick with them and reject the overtures of competitors, creating a steady stream of revenue for the firm. Academic research in a variety of industry contexts has found that brands with a large market share are likely to have more loyal consumers than brands with a small market share.

Aaker (1991) believes that it is relatively inexpensive to retain consumers; especially if they are satisfied with and/or like the brand. In many markets there is substantial inertia among consumers even if there are relatively low switching costs and low consumer commitment to the existing brand.

It is expensive for any business to gain new consumers in today's highly competitive business environment. Some authors define brand loyalty further by stating that brand loyalty can also be defined in terms of commitment. (Oliver, 1999) defines loyalty in this context as a deeply held commitment to re-buy or repurchases a preferred product or service consistently in the future, thereby causing repetitive same-brand or same brand-set purchasing, despite situational influences and marketing efforts having the potential to cause switching behavior.

According to Keller (1998) the bottom line is that repeat buying is a necessary, but not sufficient condition for being a brand loyal buyer in an attitudinal sense. In other words, someone can repeat-buy but not be brand loyal in a literal sense. Researchers define brand commitment as the "clinch facet" of brand preference and brand loyalty as the "attitudinal facet". Commitment though is a stronger expression of brand preference and brand loyalty. Someone may favorably evaluate a brand and repeat buy the brand, but still not be truly committed to the brand (Keller, 1998).

Oliver (1999) describes the consumer who fervently desires to re-buy a product and will have no other product. At still another level, he posits a consumer who will pursue this quest against all odds and at all costs. This latter condition defines ultimate loyalty. Following years of cruel captivity, one of the Beirut hostages stumbled down the road after being released by his captors in the middle of the war-torn city and was eventually picked up by a passing car. He explained who he was and added: „I could really do with a Heineken (Crainer, 1995). The point being focused on in the above quote is that after being held captive for a lengthy period, the former hostage still remembered the brand name. All thoughts of the product were secondary to the brand name. This can be regarded as a triumph for Heineken. The foregoing example illustrates the ultimate aim of brand loyalty.

## **2.2 Theories of Brand Loyalty**

The concept of brand loyalty has been extensively discussed in traditional marketing literature with the main emphasis on two different dimensions of the concept: behavioral and attitudinal loyalty. (Oliver, 1997) has presented a conceptual framework of brand loyalty that includes the full spectrum of brand loyalty based on a hierarchy of effects model with cognitive, affective, conative (behavioral intent), and action (repeat purchase behavior) dimensions.

A definition integrating this multidimensional construct has been given (Oliver, 1999) as: a deeply held commitment to re-buy or re-patronize a preferred product/service consistently in the future, thereby causing repetitive same-brand or same brand-set purchasing, despite situational influences and marketing efforts having the potential to cause switching behavior. The concept of e-loyalty extends the traditional brand loyalty concept to online consumer behavior.

Although the underlying theoretical foundations of traditional brand loyalty and the newly defined phenomena of e-loyalty are generally similar, there are unique aspects of it in the area of Internet based marketing and buyer behavior. (Schultz, 2000) describes customer/brand loyalty in cyberspace as an evolution from the traditional product driven, marketer controlled concept towards a distribution driven, consumer controlled, and technology-facilitated concept.

In addition, e-loyalty also has several parallels to the store loyalty concept (Corstjens and Lal, 2000) such as building repeat store visiting behavior as well as the purchase of established brand name items in the store. As extensively discussed in (Schefter and Reichheld, 2000), e-loyalty is all about quality customer support, on-time delivery, compelling product presentations, convenient and reasonably priced shipping and handling, and clear and trustworthy privacy policies. The sections that follow illustrate the similarities and differences between traditional brand loyalty and e-loyalty.

### **2.2.1 Attitudinal Loyalty**

The traditional conceptualization of attitudinal brand loyalty includes cognitive,

affective, and behavioral intent dimensions. Conventional brand loyalty development efforts have relied substantially on brand image building through mass media communications. In e-marketplaces, however, database technology makes it possible to put more emphasis on the cognitive dimension by offering customized information. As for lengthening the affective dimension, in e-loyalty the roles of trust, privacy, and security come into sharper focus.

Generally speaking, loyalty implies satisfaction, but satisfaction does not necessarily lead to loyalty. Consequently, there is an asymmetric relationship between loyalty and satisfaction (Waddell, 1995; Oliver, 1999). This phenomenon is particularly important in e-marketplaces, since (dissatisfied) customers face a greater variety of choices. Through extensive research, ( Baldin ger and Rubinson, 1996) have validated that highly loyal buyers tend to stay loyal if their attitude towards a brand is positive. In addition, the ability to convert a switching buyer into a loyal buyer is much higher if the buyer has a favorable attitude toward the brand.

### **2.2.2 Behavioral Intent**

Behavioral intent is an intermediary between attitude and behavior (Mittal and Kamakura, 2001). It represents the intention to act in the buying decision process. Behavioral intent appears in various forms such as a predisposition to buy a brand for the first time or a commitment to repurchase a current brand. Brand loyalty research has focused on factors related to maintaining and augmenting this repurchase commitment (Oliva and Oliver, 1992) and converting behavioral intent to an actual purchase (Kuhl and Beckmann, 1985). In e-loyalty, which has a relatively compressed buying cycle time, the main emphasis is on converting behavioral intent to immediate purchasing action (Strauss and Frost, 2001).

### **2.2.3 Behavioral Loyalty**

Traditionally, behavioral loyalty has been defined in terms of repeat buying behavior. Examples of conceptual and measurement issues related to behavioral loyalty can be found in (Chaudhuri and Holbrook, 2001) and (Dick and Basu, 1994). Behavioral

loyalty can be expressed in different ways. For example, customers can be loyal to brands and/or they can be loyal to stores as discussed in (Corstjens and Lal, 2000). When the concept of behavioral loyalty is extended to the e-market space, both the conceptual and measurement issues become more complex and sophisticated.

Factors such as repeat site visits without purchases and extent of time spent at the e-commerce site (site stickiness) have to be considered (Smith, 2000). The importance of satisfying a customer in order to create behavioral loyalty is discussed extensively in Schultz (2000). A satisfied customer tends to be more loyal to a brand/store over time than a customer whose purchase is caused by other reasons such as time restrictions and information deficits.

The Internet brings this phenomenon further to the surface since a customer is able to collect a large amount of relevant information about a product/store in an adequate amount of time, which surely influences the buying decision to a great extent. In other words, behavioral loyalty is much more complex and harder to achieve in the e-space than in the real world, where the customer often has to decide with limited information.

### **2.3 Determinants of Brand loyalty**

There a number of determinants of brand loyalty, the researcher will look at perceived value, trust, satisfaction and price as determinants of brand loyalty.

#### **2.3.1 Perceived Value**

Researchers asserted that this broader definition of perceived customer value provides conceptual richness (Broekhuizen, 2006). Summarizing the previous definitions, perceived customer value can be defined as a consumer's perception of the net benefits gained in exchange for the costs incurred in obtaining the desired benefits. However, the term perceived value is often used interchangeably with other value concepts in consumer and marketing research, such as consumer value, and consumption value.

Despite the varying terms and definitions on perceived value, there are commonalities between them: perceived value is linked through the use to some product, service or object; perceived value is something subjectively perceived by consumers rather than objectively determined, and perceived value typically involves a tradeoff between what the consumer receives and gives to acquire and use a product or service. A customer

perceived value is the pivot in relationship marketing and customer loyalty; therefore, the role of value in consumer loyalty has still received significant attention.

Recent researchers argue that perceived value is more complex and difficult to measure. Apart from functional (utilitarian) value such as price and product quality, other types of consumption value like shopping enjoyment should be considered by scholars and managers (Lee and Overby, 2004). Although a number of value types have been identified in the literature. For example, use value, intrinsic value, acquisition value, or transaction value. Utilitarian value and hedonic value appear to be two universal value types most appropriate for describing consumer shopping behavior.

Utilitarian value is defined as an overall measurement of functional benefits and sacrifices (Overby and Lee, 2006). Utilitarian value involves more cognitive aspects of attitude, such as value for the money and judgments of convenience and time savings. Furthermore, time saving is another important shopping value for time pressured consumers.

Recent studies have found that time conservation is one of the primary motivations inspiring ,besides; ample evidence supports the positive effect of merchandise quality and the negative impact of the price on consumer's value perception of a product or brand. In sum, utilitarian value can be perceived by various modes from price saving, a quality product or service, time savings, convenience, and an assortment of merchandise selection.

Hedonic value is defined as an overall judgment of experiential benefits and sacrifices, such as entertainment and escapism (Overby and Lee, 2006). Hedonic value reflects worth or fun found in the shopping experience itself, while utilitarian value reflects task-related worth. Hedonic value can be obtained from the entertainment, the visual appeal, and the interactivity involved. Similar to the role of atmospherics in offline shopping environment inappropriate use of colors, music, and other sensory features of the website might be able to enrich consumer's shopping experience. Consumers' shopping motivations may be for the enjoyment of the experience rather than simply for task completion.



### **2.3.3 Trust**

Trust involves the consumers' beliefs relating to products, brand, services, or salespeople, and the establishment where the products or services are bought and sold Belanger, Hiller, and Smith (2002). Due to the significant influence on the achievement of a long-lasting and profitable relationship, trust has received considerable attention in the marketing literature for years. Trust has received a great deal of attention from scholars in several disciplines such as psychology.

Although this multidisciplinary interest has added richness to the construct, such a diversity of scholarship makes difficult to integrate the various perspectives on trust and find a consensus on its nature.

(Lewicki and Bunker, 1995) identified three different approaches on how trust is viewed. In contrast to personality psychologist's view of trust as an individual characteristic, social psychologists consider trust as an expectation that is specific to a transaction and the person with whom one is transacting. Economists and sociologists, on the other hand, are interested in how institutions and incentive reduce uncertainty, and in turn increase trust, associated with transactions.

Therefore, to make the attribution that another person is trustworthy, there must exist the possibility to show that she or he is trustworthy, for brand loyalty to exist trust is a important element that marketing managers need to look into when analyzing brand loyalty. In trusting situations the sources of risk are generally related to vulnerability and/or uncertainty about an outcome. In particular, (Blomqvist, 1997) associated the risk perception with a situation of imperfect information because in total ignorance it is possible only to have faith and or gamble, and under perfect information, there is no trust but merely rational calculation. Then, uncertainty regarding whether the other intends to and will act appropriately is the source of risk.

Consequently, trust is a psychological state interpreted in terms of perceived probabilities, confidence or expectancy. (Rempel et al. 1985) assigned to the occurrence of some positive outcomes on the part of the trusting party. Accordingly, to trust

someone implicitly means that there is a quite high probability that this person will perform actions that will result in positive, or at least non-negative, outcomes for his/her exchange or relational partner.

For the previous theoretical treatments of trust, it is seen that this generalized expectancy or occurrence probability is based on the dispositional attributions made to the partner about his/her intentions, behaviors (verbal or nonverbal), and qualities. In other words, trust is based on the notion that people attempt to understand their partners in terms of acts, dispositions, and motives that would predict positive responses.

Turning to the discussion of what these attributions are, each base discipline emphasizes a different type. However, to the best of our knowledge, the different nature of these attributions results in the distinction of two main dimensions in the concept of trust, because some of them have a motivational nature while a technical or competence-based one characterizes others. The studies conducted in the psychology area are mainly focused on the motivational dimension of the concept.

Inspired by interpersonal research, most channel studies also describe trust in terms of a set of motivational attributions because it is viewed as a mechanism to reduce the potential opportunism in a relationship (Kumar, 1998). Nevertheless, other studies in management and marketing literature distinguish also in the concept a second group of attributions with a technical or competence nature. The reasoning underlying this idea is that, in the interactions taking place in the business field, a certain dependence on delivering expected outcomes and performing activities exists. Therefore, to assert that someone is trustworthy it is also necessary to know his/her capacity and abilities to perform these activities and produce the desired outcomes. The construct of trust has been particularly associated with the development of interest in relationship marketing in general and particularly in the context of business to business markets (Blois, 1999). The understanding the nature of trust and the importance of its contribution to loyalty will leave a major impact on how business to business relationships are developed and managed.

Several authors regard trust as a central construct to the development of successful service relationships in business to business markets and for the achievement of customer loyalty. (Parasuraman et al. 1985) introduced trust as a critical success factor in successful service relationships. The authors suggest that customers need to feel safe in dealings with suppliers and need to be assured that their interaction is confidential in that they are able to trust their suppliers. The relationship marketing is built on the foundation of trust. In addition, trust is an important feature or aspect in the development of quality relationships built through a process of making and keeping promises where customers have assurances that the products they are buying is of good quality and in turn with repeat purchases they become loyal customers.

Past research has shown a link between trust and customer loyalty. Some studies have shown customer loyalty to be a consequence of trust. Empirically, there is evidence of direct effects of trust on loyalty. A direct link between trust and loyalty has been demonstrated in several research studies. (Chaudhuri and Holbrook, 2001) demonstrate that trust plays an important role in the brand domain in that they link (brand) trust to brand performance through brand loyalty.

The view of brand trust as part of the brand domain recognizes that brand value can be created and developed through the management of some aspects that go beyond consumer's satisfaction with the functional performance of the products and its attributes, trust can offer an appropriate schema to conceptualize and measure a more qualitative dimension of brand value. Customer commitment as an indicator of customer loyalty, empirically found that brand trust has a direct effect on customer commitment and thus indirectly can affect the level of price tolerance.

#### **2.3.4 Satisfaction**

Kotler (1994,) importantly states the key to customer retention is customer satisfaction. There is much theoretical and empirical evidence that shows that link between satisfaction and customer retention and customer loyalty. In theory, several authors posit the contribution of satisfaction to customer loyalty. For example, (Aaker, 1991) state that satisfaction is a key determinant to every level of brand loyalty. Satisfaction is often thought to affect the likelihood of repurchasing or reusing the service of a provider.

(Oliver, 1997) proposes three dimensions of satisfaction; cognitive, affective and cognitive, that culminates in action loyalty or repeat usage.

There is a stream of empirical research that stresses the link between satisfaction and customer loyalty. In consumer marketing, there is consistent evidence that satisfaction contributes to repurchase intentions, behavioral intentions, and customer retention and customer loyalty. In the context on marketing channels, loyalty is the result of economic satisfaction, and a channel member's evaluation of the economic outcomes that flow from the relationship with its partner such as volume, margins and discount.

It has also been found that loyalty is reduced by social satisfaction, which is a channel member's evaluation of the psychological aspects of its relationship. In business-to-business research, several authors show that a link between satisfaction and loyalty exists. For example, (Eriksson and Vaghult, 2000) found that satisfied customers stay with the firm. Their results showed that as relationship satisfaction increases so does customer retention. Their findings indicate that long lasting and deep relationships are the result of the parties involved being satisfied with the outcome of their work.

The authors found that customer satisfaction has a positive effect on only one dimension, which is recommendation. They did not find support for the hypotheses that that business customer satisfaction contributes to the patronage dimension of loyalty. It appears that business customers of courier providers are mainly driven by their affective state of satisfaction in recommending the service.

According to Blackwell, Miniare and Engel (2006), satisfaction occurs when consumers expectations are matched by perceived performance. On the other hand, dissatisfaction occurs when experiences and performance fall short of expectations. Satisfaction can lead to repeat purchase. Consumers possessing positive evaluations of a brand or product are much more likely to buy the brand or product again than those who possessing negative evaluations. Besides, due to the fact that retaining an existing customer usually costs less than recruiting a new one, companies are dedicated to satisfy their customers.

Satisfaction also shapes word-of-mouth communication, which is important for brands to build a good image and reputation. Post-purchase evaluation not only affects consumers

future buying behavior, but also influences other behaviors such as sharing consumption experiences, which known as word-of-mouth communication. Satisfied customers become loyal and dissatisfied customers end up switching to another seller.

Many researchers directly investigate a link between satisfaction and loyalty, and all found a positive relationship between the two constructs.

Customer satisfaction had been researched for past few decades, Oliver initially formulated the theory of “expectation inconformity”, meaning that customers will feel satisfied when the goods or services provided are beyond their expectation and expressing their dissatisfaction when their goods or services provided are beneath their expectation. However, although there is no precise definition of customer satisfaction, it is clearly understood by ordinary human by interpreting the original meaning of the term. By linking satisfaction to the relevant indexes in American and Europe, they further support the relationship between customer satisfaction and customer loyalty.

According to Kuusik (2007), the objective of creating ACSI (American Customer Satisfaction Index) in 1984 was to explain the development of customer loyalty. ACSI model classified customer satisfaction into three antecedents: perceived quality, perceived value and customer expectations. As for the ECSI (European Customer Satisfaction Index) model, perceived quality is separated into two components: “hard ware”, which comprises the quality of the product or service attributes, and “human ware”, which constitutes from the customer interactive elements in the terms of service provided by employees, for instance the personal behaviour and store environment (Kuusik, 2007). Both model indicated that increment of customer satisfaction should increase customer loyalty. This further affirms that when the satisfaction level is low, customer will tend to switch to another company or the other way round. Briefly,

Satisfaction has its three sub-categories: satisfaction with products, satisfaction with service and customer expectations.

There are many drivers that affect customer satisfaction. Hokanson indicated that factors including friendly employees, courteous employees, knowledgeable employees, helpful

employees, accuracy of billing, billing timeliness, competitive pricing, service quality, good value, billing clarity and quick service are the important elements to achieve customer satisfaction ( Harkiranpal, 2006). Hence, organizations must be able to fulfill the needs of the customers in order to achieve positive customer satisfaction.

Customer satisfaction veritably does have a positive effect on the profitability of an organization. Satisfied customers construct the fundamental of any successful business as satisfied customers lead to repeat purchase, customer loyalty and positive word of mouth. Satisfied customers are most likely to share their experiences with other people to the order of perhaps five or six people. Equally well, dissatisfied customers are more likely to tell another ten people of their unfortunate experience. Furthermore, it is important to realize that many customers will not complain and this will differ from one industry sector to another.

Lastly, if people believe that dealing with customer satisfaction/complaint is costly, they need to realize that it costs as much as 25 percent more to recruit new customers. Customer satisfaction is a direct determining factor in customer loyalty, which, in turn, is a central determinant of customer retention, for businesses to retain customers they customer satisfaction is very important since satisfied customers will always want to enjoy the service they used again.

Therefore, organizations should always strive to ensure that their customers are very satisfied. Based on views and investigations done by numerous researchers, it can be seen that customer satisfaction is crucial to customer loyalty which lead to the successfulness of an organizations.

### **2.3.5 Brand Price**

According to Cadogan and Foster (2000), price is probably the most important consideration for the average consumer. Consumers with high brand loyalty are willing to pay a premium price for their favored brand, so, their purchase intention is not easily affected by price. In addition, customers have a strong belief in the price and value of their favorite brands so much so that they would compare and evaluate prices with

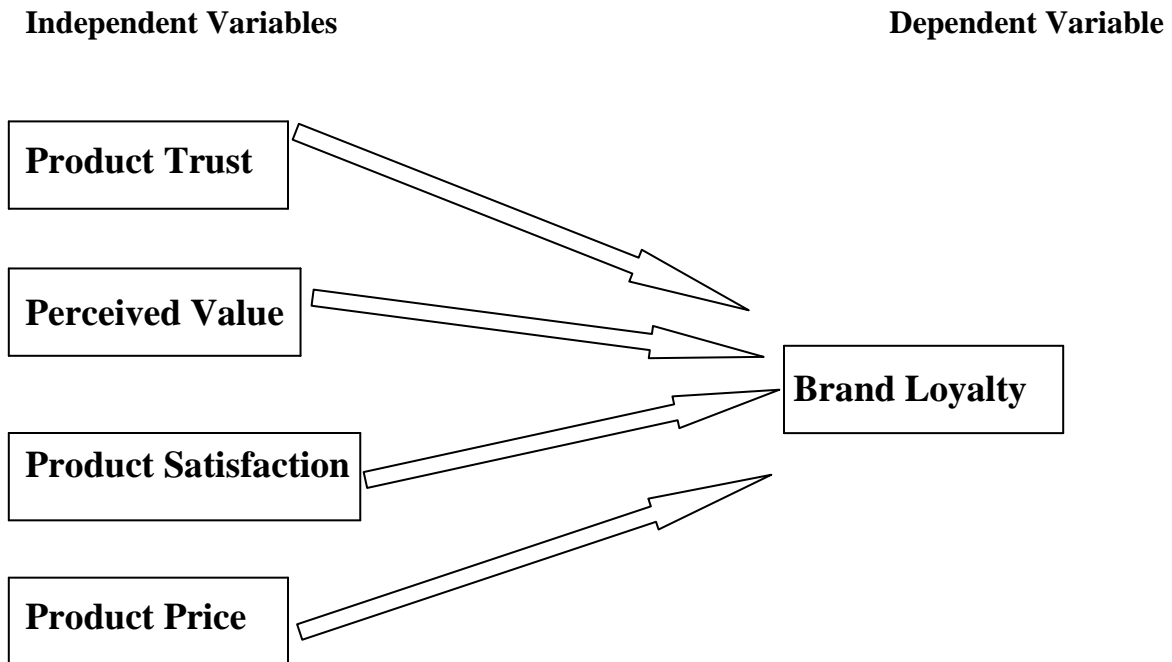
alternative brands (Keller, 2003).

Consumers' satisfaction can also be built by comparing price with perceived costs and values. If the perceived values of the product are greater than cost, it is observed that consumers will purchase that product. Loyal customers are willing to pay a premium even if the price has increased because the perceived risk is very high and they prefer to pay a higher price to avoid the risk of any change (Yoon and Kim, 2000). Long-term relationships of service loyalty make loyal customers more price tolerant, since loyalty discourages customers from making price comparison with other products by shopping around.

Price has increasingly become a focal point in consumers' judgments of offer value as well as their overall assessment of the retailer. Price communicates to the market the company's intended value positioning of its product or brand. Price consciousness is defined as finding the best value, buying at sale prices or the lowest price choice (Sproles and Kendall, 1986).

## 2.5 . Conceptual Framework

This section shows the relationship between the dependent variable with independent variables diagrammatically



**Figure 2. 1:** Conceptual Framework



## **CHAPTER THREE: RESEARCH DESIGN AND METHODOLOGY**

This section of the research assesses the procedures used in conducting the research under study. It discusses the research design, population, sample and sampling technique, data collection tools, and data analysis procedure.

Research methodology defines the systematic and scientific procedures to be used to arrive at the results and findings for a study against which claims for knowledge are evaluated. A methodology is therefore shaped by the perspective the researcher chooses to approach the study.

### **3.1. Research Design**

The research type for this study is descriptive and 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 four variables on the Brand loyalty of the consumers.

### **3.2. Target population**

For this study since it is undertaken on Zebider Brrwery the targeted population was all consumers of Zebidar in Addis Ababa City.

Zebidar Beer SC. has unveiled a new trend in the industry with the unveiling of pull off caps, also known as RipCap, the first of their kind in the Ethiopian market, avoiding the customary bottle openers. Located in the localities of Gubre, near to Wolkite town, 167km south west of Addis Ababa, Zebidar Beer will be available in the market with a unit price of \$0.60 per bottle. The study was conducted in Zebidar Beer SC, Central Addis Ababa outlets.

### **3.3. Sample size determination**

The total number of Zebidar 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.

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

(Cochran, 1972)

**Where:**

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

Z= Z value

P= population proportion

e= Margin of error

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

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

$$SS = \underline{\underline{138}}$$

### **3.4. Sampling Technique**

The study has used non-probable/non-random sampling approach while contacting target units (respondents) of the study.

The researcher has applied two stages of sampling. Primarily, among the different brewery companies operating in Ethiopia, Zebidar Brewery was used purposively due to the newness of the company in the industry.

Secondly, since it is difficult to identify the customers of the beer and collect data from them the researcher has followed accidental sampling to select the identified sample respondents. As a result those users of Zebider beer in different locations found during the data collection period will be selected accidentally to participate in the study.

### **3.5. Source of data and collection instruments.**

Data for the study was collected from both primary and secondary sources.

### **3.5.1. 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 items designed to assess background and demographic area of the respondent. The second section contains 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.

### **3.5.2 Secondary data**

Secondary data was collected only for theoretical and conceptual frame work purpose from different sources, studying previous researches that are related to the research topic. Secondary document such as journals, articles, academic books and other documents were used.

### **3.5.3. Data collection Method:**

The data collection took place in Addis Ababa. 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 Zebidar beer consumers.

The questionnaires have been filled on the spot by the consumers who were found drinking Zebidar Beer. A total of 138 responses were participated. Out of a total of 138 respondents, 7 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.

### **3.5.4. 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.

Section 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 of usage were asked. Section two, part one contains five questions which identify beer brand trust for Zebidar Beer. There were five questions in part two that covered perceived value for brand loyalty, Part three consists five questions which cover statements related to the brand satisfaction for brand loyalty. Part four consisted of five questions regarding price of a product (beer) for brand loyalty. The final section which aimed to measure about brand loyalty in Zebidar Beer contains twelve questions.

### **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 using SPSS 20 windows version (Statistical Package for Social Science). For the descriptive analysis (Percentage and mean) were used to analyze respondents' general profile and regression and correlation analysis were used as inferential statistics tool.

### **3.7. Model Definition**

The study has used the regression coefficients to test the magnitude of the relationship and effect between dependent and independent variables which is the effect of determinants such as brand, perceived value, customer satisfaction, and brand price on brand loyalty. The study has used Pearson correlation coefficient to test the preposition to check the existence of significant relationship among the four determinants with brand loyalty.

Ordinary Least Squares (OLS) regression model was used to indicate the major explanatory variables that influence customers' loyalty of Zebidar Beed. Ordinary least squares regression model (OLS) is a generalized linear modeling technique that may be used to model a single response variable which has been recorded on at least an interval scale. According to Glass et, al. (2003), OLS models the relationship between a dependent variable and a collection of independent variables. The technique may be applied to single or multiple explanatory variables and also categorical explanatory variables that have been appropriately coded (Hutcheson, 2011).

Before estimating any model, it is a must to check the validity of the model properly. To this respect necessary assumption tests were made.

In regression model the relationship between the dependent variable and the independent variables is expressed as a linear combination of the independent variables plus an error term. Following Pagano (2003), the multiple linear regression models for customers' satisfaction and customers' loyalty due to service recovery is specified separately as follow:

$$BL = \beta_0 + \beta_1 BT + \beta_2 IPV + \beta_3 PST + \beta_4 BP + \epsilon$$

**Where:** BL= Brand Loyalty  
 BT = Brand Trust  
 PV = Perceived Value  
 PST = Customers' Satisfaction  
 BP = Brand Price  
 $\beta_0$  is regression constant,

$\beta_1, \beta_2, \beta_3, \beta_4, \beta_5$  are coefficient,

### **3.8. Reliability and Validity Analysis**

#### **3.8.1 Reliability Analysis**

Before turning to the analysis, the reliability of questionnaire for answering the research question was also tested to see whether the questions chosen are consistent with one another. The reliability was checked by conducting a pilot study on customers of Habesha Beer 15% of the total sample (21 respondents) questionnaires was distributed to these customers. Conducting the pilot study outside the customers' in the case study Zabidar Beer, which are the target populations of the study, has enabled the researcher to overcome

the response bias. The reliabilities of the variables (data) were checked against the Nunnally's recommended standards (Cronbach's alpha  $\geq 0.70$ ) mainly to ensure that they are reliable indicators of the constructs (Nunnally's, 1967). As table 3.1 shows, the Cronbach's alpha calculated for the five variables was, 0.773 for Brand Image, 0.818 for Perceived Value, 0.714 for Satisfaction on Brand, 0.728 for Price of the Product and 0.919 for Brand Loyalty. The average Cronbach's alpha value of all the five identified variables used to measure determinants of brand loyalty in Zebidar beer is found to be 0.7904. This result confirms that the items identified in each category are cohesive enough to adequately represent a single concept.

**Table 3. 1.** Reliability statistics on brand loyalty

<b>Variables</b>	<b>Cronbach's</b>
Brand Trust	0.773
Perceived Value	0.818
Satisfaction on Brand	0.714
Price of the Product	0.728
Brand Loyalty	0.919
<b>Average Cronbach value</b>	<b>0.7904</b>

Source: SPSS Results (2019)

### **3.8.2 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.

### **3.9 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: RESULTS AND DISCUSSION**

### **4.1. Introduction**

This chapter presents the main body of the paper by analyzing data collected using questionnaire as a primary source of data and associates the finding with empirical literatures. To achieve each specific objective of the study, the data obtained from survey were analyzed using different methods of analysis. Descriptive statistics such as frequency and percentages were used and inferential statistics such as correlation analysis and regression analysis were used to analyze the collected data. First, the general information about respondents was described. Second, data collected through questionnaires was analyzed and presented in a manner that the results are clear to understand.

As it was already mentioned in the research methodology part, questionnaire was used as primary data collection method. The data was collected from customers' of Zebidar Beer from April – May, 2019.

Out of a total of 138 respondents identified for this study, data collected from 7 respondents were found to be incomplete and incorrect to be considered for analysis. As a result the analysis was made by the remaining 132 respondents; this makes the response rate to be 97.1% which is acceptable to proceed to the analysis.



## 4.2. Analysis of Demographic Characteristics of Respondents

The first part of the questionnaire deals with the respondents' general demographic data (Gender, Age, educational background, level of income and frequency of usage). Accordingly the response of the respondents is depicted on the table 4.1.

**Table 4. 1. Demographic characteristics of respondents**

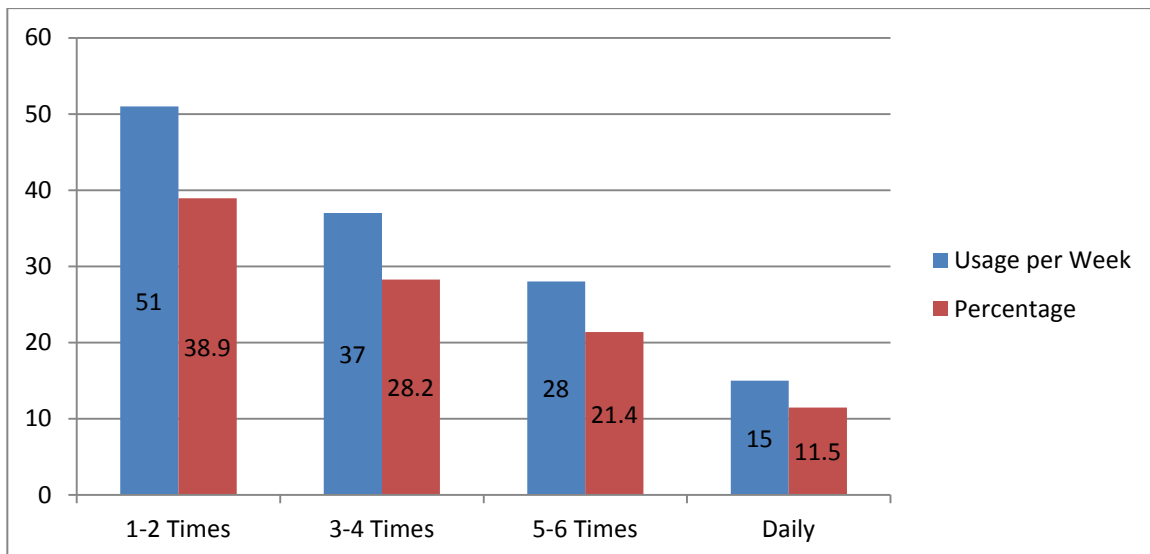
Variables		Frequency	Percentage
Sex	Male	102	77.9
	Female	29	22.1
	Total	131	100
Age	18-29	74	56.5
	30-49	31	23.7
	50-64	24	18.3
	Above 65	2	1.5
	total	131	100
Educational Background	Illiterate	7	5.3
	High school Graduate	31	23.7
	Diploma or TVET	48	36.6
	Degree	32	24.4
	Masters	10	7.6
	Above Masters	3	2.3
	Total	131	100

Source: Questionnaire, 2019

According to the table 4.1 above, 102 (77.9%) of the respondents are males and 29 (22.1%) of the respondents are females. From this data, we can easily observe that most of the customers of Zebidar Beer are males.

Regarding with the age of the respondents, out of the total respondents, 74 (56.5%) of them are between the age of 18-29, 31 (23.7%) of them are between 30-49 years, 24 (18.3%) of the respondents lies between the age of 50-64, and the rest 2 (1.5%) of the respondents are aged above 65. From this result we can cascade the conclusion that most of the respondents are aged between 18-29. One can see that, individuals aged above 18 are better at giving response systematically.

As far as their educational status is concerned, (depicted in the above table), majority of the customers 48 (36.6%) are diploma or TVET holders, followed by 32 (24.4%) first degree holders, 31 (23.7%) of the respondents have a high school certificated, 10 (7.6%) are masters holders and the remaining 7 (5.3%) and 3 (2.3%) are more than masters and illiterates respectively. This shows that the majority of the study participants are diploma or TVET graduates. This implies the respondents' ability to understand and give their response to the items in the questionnaire rationally.



**Figure 4. 1:** Frequency of Usage

**Source:** Questionnaire, 2019

With regard to the number of times the sample respondents consume Zebidar Beer in a week is shown in the above bar diagram. It can be seen in the diagram out of the total participants' majority of the respondents (38.9%) use the beer 1-2 times in a week. Respondents accounting 29.2% consume Zebidar Beer 3-4 times. 21.4% of them use the beer 5-6 times weekly. The remaining 11.5% of them are users of the beer in a daily base. As it shown in the analysis it can be inferred that most than half of the customers are users of the beer 1-4 times weekly.

### **4.3. Analysis of the Loyalty Dimensions.**

#### **4.1.1. Introduction**

This deals with the analysis of the identified specific objectives which are establisher to attain the overall objective of this study. As a result it will try to answer the four research questions prepared in the first chapter which are; Does brand trust influence brand loyalty in Zebidar Brewery? Does perceived value influence brand loyalty in brewery industry of Zebidar Brewery? Does perceived customer satisfaction influence brand loyalty in brewery industry of Zebidar Brewery? And Does brand price influence brand loyalty in brewery industry of Zebidar Brewery?

It is designed to have six sections. The first is introduction followed by the analysis of describing brand trust influence on brand loyalty in Zebidar Brewery. The third section describes the influence of perceived value on brand loyalty. The forth section deals with the description of customer satisfaction influence on brand loyalty. The fifth part focuses on the analysis of influence of brand price on brand loyalty. Finally, the study will analyze the most determinant dimension with the highest influence on brand loyalty using regression analysis.

#### **4.3.1. Influence of brand trust on brand loyalty in Zebidar Brewery**

In order to analyze and measure each determinant developed using the response given by the participants; the study has used five questions to each determinant. As a result to create vivid description of the four factors (determinants for brand loyalty), the average of the five questions were used (Covin et al., 2006).

**Table 4. 2 Influence of brand trust on brand loyalty**

S/n	Item	Alternatives	Frequency	Percent
1	<b>Brand Trust as Determinant</b>	Strongly Agree	28	21.4
		Agree	61	46.6
		Neutral	22	16.8
		Disagree	16	12.2
		Strongly Disagree	4	3.1
	<b>Total</b>		<b>131</b>	<b>100.0</b>

**Source:** Questionnaire survey, 2019

The first determinant factor developed to measure the influence on brand loyalty was customers' trust on the brand. In order to measure these variable five items were developed and average result of each item is presented in the table above. As per the finding of the survey, majority of the respondents 61 (46.6%) of the sample customers has shown their agreement regarding brand trust's influence on customers' loyalty on the brand. 28 (21.4%) of them strongly agree about it. Respondents accounting 22 (16.8%) are found to be indifferent on the influence of trust on loyalty of Zebidar Beer. The remaining 12.2% and 3.1% are found to show their disagreement and strong disagreement. From this analysis it can be inferred that the trust customers' possess on the brand can have an influence their loyalty on the brand.

#### **4.3.2. Influence of Perceived Value on brand loyalty in Zebidar Brewery**

**Table 4. 3: Influence of Perceived Value on brand loyalty**

S/n	Item	Alternatives	Frequency	Percent
2	<b>Perceived Value as Determinant</b>	Strongly Agree	22	16.8
		Agree	55	42
		Neutral	19	14.5
		Disagree	27	20.6
		Strongly Disagree	8	6.1
	<b>Total</b>		<b>131</b>	<b>100.0</b>

**Source:** Questionnaire survey, 2019

The second determinant factor considered to influence customers loyalty was customers' perceived value on the brand. As a result based on the average score of the five questions developed to measure this factor, the finding of the study is depicted in the above table. From the total 131 participants of the study 55 (42%) of them believe their perceived value of the beer can influence the loyalty of the for Zebidar beer. To the contrary 20.6% of the participants disagree on this idea. 22 (16.8) of them strongly agree on the influence of perceived value on loyalty, followed by 19 (14.5%) who are found to be neutral. The remaining 8 (6.1%) strongly disagree about it. Based on the analyzed data it is clear that around 58.8% of them agree and strongly disagree that perceived value customers' have can be a determinant factor for loyalty they can have on the brand. This implies that the way customers' perceive the brand have an influence on their loyalty towards the product.

#### 4.3.3. Influence of Previous Satisfaction on brand loyalty in Zebidar Brewery

**Table 4. 4: Influence of Previous Satisfaction on brand loyalty**

S/n	Item	Alternatives	Frequency	Percent
3	<b>Satisfaction as Determinant</b>	Strongly Agree	18	13.7
		Agree	74	56.5
		Neutral	27	20.6
		Disagree	9	6.9
		Strongly Disagree	3	2.3
	<b>Total</b>		<b>131</b>	<b>100.0</b>

**Source:** Questionnaire survey, 2019

The third determinant factor (satisfaction on the brand) which was identified from literature as a determinant for loyalty users can have over the brand (Zebider Beer) is measured using five questions. Based on the average score of the five questions the above data presented on the table above was generated. As shown in the table above majority of the respondents consisting of 56.5% is supporter on extent satisfaction they have on the beer is capable of influencing their loyalty for the brand. 20.6% of them are unable to say whether satisfaction can influence loyalty or not. Still 13.7% of the participants strongly agree on the influence of previous satisfaction can have over loyalty. The remaining 6.9% and 2.3% disagree and

strongly disagree about it. Based on the analysis done, it can be concluded that the customers' previous satisfaction can be as one other determinant factor for loyalty they can have for the beer.

#### 4.3.4. Influence of Product Price on brand loyalty in Zebidar Brewery

**Table 4. 5: Influence of Product Price on brand loyalty**

S/n	Item	Alternatives	Frequency	Percent
4	<b>Price as Determinant</b>	Strongly Agree	25	19.1
		Agree	86	65.6
		Neutral	9	6.9
		Disagree	7	5.3
		Strongly Disagree	4	3.1
	<b>Total</b>		<b>131</b>	<b>100.0</b>

**Source:** Questionnaire survey, 2019

The last determinant factor identified for this study was price of the beer. To measure the degree of influence price can have over loyalty of a product five questions were developed. Accordingly the average of the five questions shows that a considerable number of participants 86(65.6%) agree on the influence price can have on customers' loyalty of a brand. Similarly 25 (19.1%) strongly agree about it. The remaining 9 (6.9%), 7 (5.3%) and 4 (3.1%) of the participants are found to be neutral, disagree and strongly disagree respectively concerning the influence of price on product loyalty. Based on the finding it can be inferred that most customers of Zebidar Beer are sensitive on price as a result they can be influenced by price change of the beer. This signifies that the even though loyal customers are willing to pay prices for products in which they are loyal for, the finding shows that for customers of Zebidar beer higher prices can influence even loyal customers.

#### **4.4. Regression Analysis**

The general objective of this research was to analyze to examine the determinants of brand loyalty in Zebidar beer in the case of Addis Ababa City. This is believed to give insight the brewery to know and understand the determinant factors among the identified four factors that can help it to build a strong loyalty on the beer by the customers.

##### **4.4.1. Relationship between the four determinants and Brand loyalty**

This section of the study analyses the relationship that exist between the four determinants of brand loyalty with brand loyalty in relation to Zebidar Beer. To analyze the relationship that exists between them, Karl Pearson's Coefficient of Correlation (Pearson Product Moment Correlation Coefficient) was used. The finding related to each dimensions are depicted as follows;

##### **Correlation analysis regarding the relationship between determinants and Brand Loyalty**

A correlation analysis is used to measure the extent of the relationship between variables (x and y). The measurement used for this purpose is the correlation coefficient. This is a numerical value ranging from -1 to +1 that measures the strength of the linear relationship between two quantitative variables.

Such coefficients vary between -1.00 and +1.00 with the former showing that there is a perfect negative relationship and the latter shows that there is perfect positive relationship between variables where 0 shows no relationship. These values are rarely encountered in real world situations, but they are good benchmarks for evaluating the correlation coefficient of any data collection.

Dancey and Reidy (2004), state that a correlation result which is 0 indicates zero correlation, a result ranging from 0.1 to 0.3 indicates a weak correlation among variables, a result which is between 0.4 and 0.6 shows a moderate correlation, a result between 0.7 and 0.9 indicates a strong correlation among variables, while a result which is equal to 1 indicates perfect correlation.

Regarding the relationship that exists between the dependent variable and the five explanatory variables are presented in this section. Each dimension consists different items believed to measure the dimension.

**Table 4. 6: Correlation Analysis**

		Product Satisfaction	Brand Trust	Product Price	Perceived Value	Brand Loyalty
Product Satisfaction	Pearson Correlation	1	.366**	.447**	.296**	.551**
	Sig. (2-tailed)		.000	.000	.000	.000
	N	131	131	131	131	131
Brand Trust	Pearson Correlation	.366**	1	.653**	.506**	.657**
	Sig. (2-tailed)	.000		.000	.000	.000
	N	131	131	131	131	131
Product Price	Pearson Correlation	.447**	.653**	1	.597**	.739**
	Sig. (2-tailed)	.000	.000		.000	.000
	N	131	131	131	131	131
Perceived Value	Pearson Correlation	.296**	.506**	.597**	1	.631**
	Sig. (2-tailed)	.000	.000	.000		.000
	N	131	131	131	131	131
Brand Loyalty	Pearson Correlation	.551**	.657**	.739**	.631**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	131	131	131	131	131

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

**Source:** SPSS Output (2019) (modified for presentation)

From the above table it can be seen that all of items have a positive and statistically significant relationship with brand loyalty although the strength of their relationship varies across the different determinants identified. This shows that the need to consider all four determinants to establish ultimate brand loyalty with customers. The highest and strongest relationship is found between product price and brand loyalty which is 0.739, based on Dancey and Reidy (2004) it indicates the relationship is strong which connotes on the importance of offering a product with reasonable and fair price that can be affordable by customers by considering the economic status of the majority of the beers customer. Consumers' satisfaction can also be built by comparing price with perceived costs and values. If the perceived values of the product are greater than cost, it is observed that



consumers will purchase that product. Loyal customers are willing to pay a premium even if the price has increased because the perceived risk is very high and they prefer to pay a higher price to avoid the risk of any change

There is also a significant positive relationship between customers brand loyalty for the beer their level of trust towards the beer, and brand loyalty and perceived value they give to the beer with a correlation result of 0.657 and 0.643 respectively. The product trust is the consumers' beliefs relating to products, brand, services, or salespeople, and the establishment where the products or services are bought and sold. Due to the significant influence on the achievement of a long-lasting and profitable relationship, trust should received considerable attention by marketing team .

The perceived value determinant measures consumer's perception of the net benefits gained in exchange for the costs incurred in obtaining the desired benefits. Generally, the determinants, product trust and perceived value, as depicted in the result customers' brand loyalty are quite related with brand trust and perceived value they give to the beer of Zebidar. Therefore according to Dancey and Reidy (2004), there is moderate correlation among these two determinants and customer' brand loyalty to the beer.

The finding of the correlation analysis also shows that positive and significant relationship between customers previous satisfaction on the beer with the loyalty they have over the beer with a score of 0.663 which resembles a moderate relationship. As known in consumer marketing, there is consistent evidence that satisfaction contributes to repurchase intentions, behavioral intentions, and customer retention and customer loyalty. As a result customers' satisfaction is found to be related with brand loyalty of customers.

Generally, it can be seen that all the identified determinants have a positive and significant relationship with brand loyalty the customers' may have on the Zebidar Beer, where product price has strong relationship and the remaining three dimensions has moderate relationship with customers' brand loyalty. This finding illustrates the requirement of considering all identified determinants in order to create good relationship and strong loyalty with users or customers of the beer.

#### 4.4.2. Result of the Regression Analysis

Since this study has more than one independent variables and one dependent variable, it has used multiple regression to examine the relationship and effect of the explanatory variables on the dependent variable. Multiple linear regressions is used to compare which independent variable has more effect on the dependent variable than other independent variables. In using multiple regression to as an analytical tool in research study, there are certain assumptions the data and the model are expected to satisfy. These assumptions are known as normality, linearity, heteroscedasty, independence of residuals and multicollinearity assumptions. As a result the assessment of these assumptions is discussed as follow.

#### Normality Assumption

In Multiple regressions the collected data are expected to have a normal distribution to that to proceed to analysis using regression. The normality of a collected data is checked using skewness and kurtosis test. The acceptable value of the skewness and kurtosis statistics should be between -1 and 1 to be considered as normally distributed.

The lower table shows the result of skewness and kurtosis test made using SPSS.

**Table 4. 7: Skewness and Kutosis test of Normality**

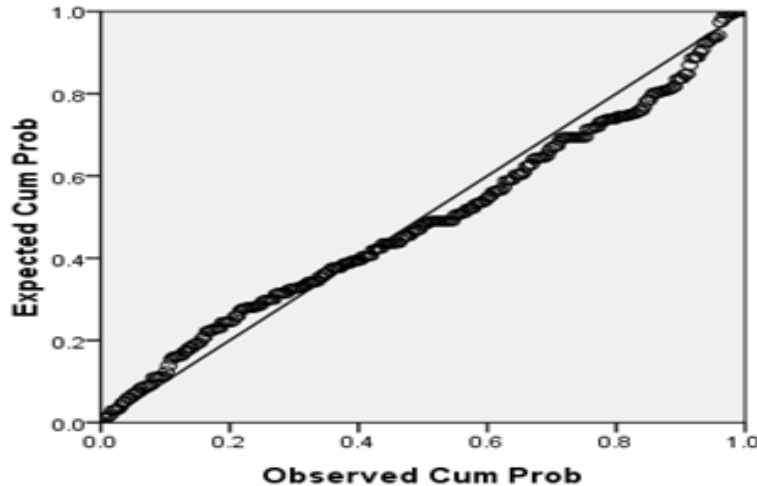
Descriptive Statistics							
	N	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
Product Trust	131	3.58	.704	-.133	.163	-.173	.324
Perceived value	131	3.47	.757	.346	.163	.630	.324
Product satisfaction	131	3.57	.666	.633	.163	.863	.324
Product price	131	3.72	.700	-.894	.163	-.705	.324
Valid N (list wise)	131						

Source: SPSS Output, 2019

As the table shows the values of the skewness and kurtosis statistics for the identified four explanatory variables fall within the acceptable range (-1 up to 1). As a result the data is considered as a normally distributed implying we have fulfilled the first assumption.

### Linearity Assumption

The second assumption to consider in multiple regression is known as linearity assumption. The collected data are expected to have a linear or straight line relationship. The technique to check this assumption is using scatter plot diagram and visually inspect how the data fall around the diagonal straight line. If the data is scattered around the line in a systematic manner then the data is considered as linear.



**Figure 4. 2: Scatter Plot**

As the above scatter diagram shows the collected data are scattered around the diagonal line which can tell that the relationship that exist between dependent variable and the identified explanatory (independent) variables are found to be linear.

### Assumption of Independent of Residuals

The third assumption in using multiple regressions is known as independence of residuals. A **residual** is the difference between the actual value of  $y$  and the predicted value  $y'$  for a given  $x$  value. The mean of the residuals is always zero. Therefore residuals are differences between the values of the outcome predicted by the model and the values of the outcome observed in the sample. These residuals represent the error present in the model. If a model fits the sample data well then all residuals will be small (if the model was a perfect fit of the sample data – all data points fall on the regression line – then all residuals would be zero). If a model is a poor fit of the sample data then the residuals will be large.

Therefore it is necessary the independence of the residuals in using multiple regression. Residuals can be tested using Dublin Watsons test. If the value of the test fall around 2 usually 1.5 to 2.5, then the residuals are considered independent.

**Table 4. 8: Independent of Residuals**

**Model Summary<sup>b</sup>**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.847 <sup>a</sup>	.717	.714	.360	1.873

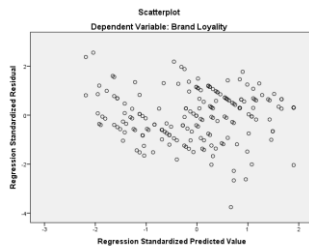
Source: SPSS Output, 2019

- a. **Dependent variable:** Brand Loyalty
- b. Significance at 5% significance level

As the output of the Dublin Watson test shows the value 1.873 is found to be within the acceptable range. Therefore the data has satisfied the third assumption as well.

### **Heteroscedasticity Assumption**

The fourth assumption checked for this study is Heteroscedasticity. While using regression the level of the predictor variable(s), the variance of the residual terms should be constant. This just means that the residuals at each level of the predictor(s) should have the same variance and it is referred as homoscedasticity. The opposite of homoscedasticity is heteroscedasticity a situation which occurs when the residuals at each level of the predictor variables(s) have unequal variances. Put another way, at each point along any predictor variable, the spread of residuals is different. Therefore scatter plot is used to check the variables are free from Heteroscedasticity.



**Figure 4. 3. Scatter Diagram**

By referring the scatter plot diagram generated, it can be seen that the residuals are distributed fairly everywhere throughout the chart which implies the existence of homoscedasticity not heteroscedasticity. Therefore this assumption is also fulfilled.

#### **Multicollinearity Assumption**

The last assumption to consider is known as Multicollinearity. It is a situation where there is perfect linear relationship between two or more of the predictors. So, the predictor variables should not correlate too highly.

Multicollinearity exists when there is a strong correlation between two or more predictors in a regression model. Multicollinearity poses a problem only for multiple regressions because simple regression requires only one predictor. Perfect collinearity exists when at least one predictor is a perfect linear combination of the others (the simplest example, being two predictors that are perfectly correlated – they have a correlation coefficient of 1). If there is perfect collinearity between predictors it becomes impossible to obtain unique estimates of the regression coefficients because there are an infinite number of combinations of coefficients that would work equally well. In order to examine the existence of Multicollinearity it is recommended to use VIF (Variance Inflation Factor) or tolerance as a technique. If the VIF value computed is found to be below 5, and the tolerance value is above 0.1 the variables are considered to be free of multicollinearity.

**Table 4. 9: Multicollinearity Test**

<b>Determinants</b>	<b>Collinearity Statistics</b>	
	<b>Tolerance</b>	<b>VIF</b>
<b>Brand Trust</b>	0.217	2.014
<b>Perceived Value</b>	0.395	3.849
<b>Product Satisfaction</b>	0.307	2.117
<b>Product Price</b>	0.482	4.800

**Source:** SPSS Output, 2019

Based on the output generated from SPSS, the value of the VIF for each variable is found to be below 5 and the tolerance of each variable is above 0.1. As a result based on the rule discussed previously the data is found to be free from Multicollinearity, as the VIF and tolerance level are within the acceptable values.

#### **Economic Results of the four determinants and product loyalty**

The last part of the analysis deal with the identification of the most determinant factor among the four identified having highest influence on loyalty of a product a customer can possess.

As a result based on the methodology established the multiple linear regression analysis was used to examine the magnitude of influence the identified explanatory variables has on dependent variable. By using OLS (Ordinary Least Square) method the following output is generated.

**Table 4. 10:** Econometric results

**Model Summary<sup>b</sup>**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.847 <sup>a</sup>	.717	.714	.360	1.873

a. Predictors: (Constant), Brand trust, Perceived value, Satisfaction and Product price

b. Dependent Variable: Brand Loyalty

Variables	Unstandardized Coefficients		t	Sig.
	B	Std. Error		
1 (Constant)	.246	.164	1.319	.000
Brand Trust	.222	.031	4.049	.002
Perceived Value	.163	.039	3.117	.000
Satisfaction	.141	.051	2.720	.001
Product Price	.305	.045	4.171	.000

**Source:** SPSS Output, 2019

a. **Dependent variable:** Brand Loyalty

b. Significance at 5% significance level

The corresponding model developed to show the influence of the four determinant factors on the brand loyalty is summarized as follow;

$$BL = 0.246 + 0.222 (BT) + 0.163(PV) + 0.141(PST) + 0.305 (PP)$$

**Where:**

BL= Brand Loyalty

BT = Brand Trust

PV = Perceived Value

PST = Product Satisfaction

PP = Product Price

Based on the undertaken multiple regression analysis using OLS method, it is found that the identified four determinants (Brand trust, Perceived value, Satisfaction on the brand and Product price) influence brand loyalty with the adjusted  $R^2$  value of 0.714. This implies that the determinants are capable of explaining the dependent variable with 71.4%. The remaining difference (Unexplained value) 28.6% tells that there are still other determinants that are not covered by this study but still capable of influencing brand loyalty.

The Beta (B) value under Un-standardized Coefficients contains the determinants magnitude of influence on loyalty. As it is shown all the factors have a statistically significant effect over loyalty of the brand. The highest influence is captured to be by the product price with a beta value of 0.305. This implies a unit change in the product's price can cause 0.305 changes in the brand loyalty a customer can have for the beer. This finding is in line with the finding of Cadogan and Foster (2000), who advocate price is probably the most important consideration for the average consumer.

The second dominant effect is found to be caused by the trust they have over the brand with a beta value of 0.222, which tells a unit change in the brand trust a customer has on the product can cause a 0.222 change on the loyalty of the brand. It was supported by Parasuraman et al. (1985), who introduced trust as a critical success factor in successful service relationships. The authors suggest that customers need to feel safe in dealings with suppliers and need to be assured that their interaction is confidential in that they are able to trust their suppliers and become loyal with them. Chaudhuri and Holbrook, (2001), also demonstrate that trust plays an important role in the brand domain in that they link (brand) trust to brand performance through brand loyalty

From the four determinants, perceived value is found to be the third explanatory variable with a beta value of 0.163, which implies a unit change in the perceived value a customer has on the product can cause a 0.163 change on the loyalty of the brand.

The last factor satisfaction customers have of the beer is the least influencing factor on loyalty with a beta score of 0.141 at 0.05 level of significance. Supported by Eriksson and Vaghult (2000), who found that satisfied customers stay with the firm. This showed that



as relationship satisfaction increases so does customer retention. In addition a model developed by American Customer Satisfaction Index and European Customer Satisfaction Index model, both model indicated that increment of customer satisfaction should increase customer loyalty which is found to be supporting this study's finding.

Generally, from the above econometrics analysis it was found out that even though all the variables (factors) identified in this study are found to be statistically significant to affect or locality of a brand, the amount of effect varies from one another. Price is found to highly affect customers perception, which magnifies customers are highly price sensitive followed by brand trust.

## **Chapter Five: Summary of finding, Conclusion and Recommendation.**

### **5.1. Summary of major Finding**

- With regard to gender of participants 22.1% of the respondents are males and 29 (22.1%) of the respondents are females.
- Regarding with the age of the respondents, out of the total respondents, 74 (56.5%) of them are between the age of 18-29, 31 (23.7%) of them are between 30-49 years, 24 (18.3%) of the respondents lies between the age of 50-64, and the rest 2 (1.5%) of the respondents are aged above 65
- As far as their educational status is concerned, majority of the customers 48 (36.6%) are diploma or TVET holders, followed by 32 (24.4%) first degree holders.
- Regarding frequency of consumption, majority of the respondents (38.9%) use the beer 1-2 times in a week. 29.2% consume Zebidar Beer 3-4 times. 21.4% of them use the beer 5-6 times weekly.
- Regarding considering trust as determinant for loyalty, majority of the respondents 61 (46.6%) of the sample customers has shown their agreement regarding brand trust's influence on customers' loyalty on the brand. 28 (21.4%) of them strongly agree about it.
- Pertaining perceived value as determinant 55 (42%) and 22 (16.8%) of them agree and strongly agree their perceived value of the beer can influence the loyalty of the for Zebidar beer.
- The other determinant customers satisfaction on the product has gained 56.5% supporter on extent satisfaction they have on the beer is capable of influencing their loyalty for the brand.
- The last determinant factor identified for this study was price. Accordingly the result shows that a considerable number of participants 86(65.6%) agree on the influence price can have on customers' loyalty of a brand
- Regarding the relationship between dependent and independent variable the identified determinants have a positive and significant relationship with brand loyalty the customers' may have on the Zebidar Beer, where product price has strong relationship.

- the determinants are found to be capable of explaining the dependent variable with 71.4% adjusted  $R^2$  value
- The highest influence is captured to be by the product price with a beta value of 0.305.
- The second dominant effect is found to be caused by the trust they have over the brand with a beta value of 0.222
- Perceived value is found to be the third explanatory variable with a beta value of 0.163
- The last factor satisfaction customers have of the beer is the least influencing factor on loyalty with a beta score of 0.141

## **5.2. Conclusion**

This study was conducted on the identification of determinants that can influence customers' loyalty on the brand in the case of Zebidar Beer with the objective of examining the impact of brand trust, perceived value, customers' satisfaction and brand price on brand loyalty.

All the identified four determinants possess a statistically significant relationship with customers brand loyalty. The highest relationship was found with product price. Whereas the remaining three determinants were found to have moderate relationship with brand loyalty. This signifies the importance of considering all the four determinants in order to build long lasting customers loyalty with customers of Zebidar Beer.

After checking the fulfilment of the assumption, multiple regression was used to examine the impact of the identified four determinants on customers loyalty towards the brand. As a result based on the finding multiple regression analysis using OLS method, it is found that the identified four determinants (Brand trust, Perceived value, Satisfaction on the brand and Product price) influence brand loyalty with the adjusted  $R^2$  value of 0.714. This implies that the determinants are capable of explaining the dependent variable with 71.4%. The remaining difference (Unexplained value) 28.6% tells that there are still other determinants that are not covered by this study but still capable of influencing brand loyalty.

The highest influence was observed by product price followed by product trust which signify the importance giving due attention by the company in offering product with a price in which the customers are able and willing to pay and the importance of building consumers' trust, beliefs relating to products, brand, services, or salespeople, and the establishment where the products or services are bought and sold.

Customers' perceived value over the product is also one of the determinants in influencing customers' loyalty the beers Zebidure brewery offers. Similarly even though the level of influence is relatively lower customers previous satisfaction on the beers of Zebider is found to significantly influence the level of customers' loyalty they can have on the beer.

As a result all the determinants the study identifier to influence customers' loyalty towards the products of Zebidar Brewery are found to significantly influence the dependent variable which is loyalty of customers' on the product. This implies Zebidar brewery need to consider all the determinants which are product price, trust on the product, perceived value and customers' previous satisfaction in its marketing activities to attract, sustain and build long lasting relationship and loyalty with its respective customers'.

### **5.3. Recommendation**

It is clear that from the above finding, the identified four determinants are found to have a positive and significant relationship with customer loyalty on the product and directly affect their level of loyalty they can build on the beer of Zebidar. Therefore brewers in general and Zebidar Brewery specifically needs to work on building a system that are designed to sufficiently consider these four determinants in order to maintain and sustain their relationship with their customers.

Based on the findings of the study the following recommendations are provided by the researcher to improve and increase the customers' loyalty towards the beer they manufacture and offer.

- ❖ Since customers are highly sensitive in the price of the product, Zebidar Brewery is recommended to offer its beer in a price that is considered fair, competitive and affordable by its customers by considering the economic status of its customers. it can also be recommended to offer different sized beer with different prices so that customers will have the chance to select the right sized beer with their ability to afford.
- ❖ The outcome from the correlation analysis reviles the existence of relationship between the all determinants and customer loyalty, even though the intensity varies. As a result the company is recommended to consider all the four determinants in the act of product offering to create new customers and maintain the existing one.

- ❖ Trust is also found to be determinant for loyalty. Trust can be built by providing consistent and high quality product. As a result the company is advised to use the best and high quality raw materials and technologies in the production process to enable the offering of consistent and better beer to customers which leads to creation of trust by customers' on the beer of the company.
- ❖ Since perceived values the customers give influence their loyalty, the company is recommended to consider it in all process of it production. It can attain this by starting on making the packages to be visually attractive and appealing so that it can create first impression on the customers.
- ❖ Lastly enhancing the member of the company to serve customers with an internal desire to satisfy customers to the fullest is recommended by the researcher because the previous satisfaction they have can contribute to the establishment of loyalty for the products Zebidar offer.
- ❖ As clearly shown in the scope of this study, the study is both geographically and theoretically confined in analyzing the impact of the four determinants on customers' loyalty on the brand in the case study of Zebidar Brewery customers' in Addis Ababa city. As a result it may not be used to make a generalization regarding the issues in other breweries' outside the study area.
- ❖ Therefore other willing investigators are recommended to conduct a further in-depth investigation to identify more determinant factors that can affect customer loyalty in the beer industry in general.
- ❖ As it can be seen in the econometrics analysis the identified variables (determinants) used in this study explain customer loyalty at around 71.4%. This indicates there are other variables (unexplained) accounting 28.6% of the variation, which can affect customers' loyalty apart from the identified four determinants in this study. Therefore other researchers are suggested to identify the remaining variables and undertake an investigation to create full customers' loyalty on products.

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**APPENDIX**  
**St. Mary University**  
**Marketing Department**  
**Postgraduate program**

**Dear respondents!!!**

The purpose of this questionnaire is to collect data to examine the determinants of brand loyalty in Zebidar beer S.C. The study is only for academic purpose and cannot affect you in any case. Therefore, your genuine, honest and timely response is vital for accomplishment of this study on time.

Besides this, the outcomes of this research will help the concerned body to understand and identify the determinants of brand loyalty in Zebidar beer. Thus, by understanding the importance of this research work, you are kindly requested to fill this questionnaire honestly.

Thank you in advance for your cooperation!

**N.B:**

1. This questionnaire is to be filled by customers of Zebidar Beer in Addis Ababa city.
2. You are not required to write your name.
3. You are kindly requested to read the questions carefully and respond to each question in the questionnaire.
4. Please put a “√” mark in the box of your choice.
5. Write your response for the open ended questions.

**Section I: General Information.**

**1. Gender**

a. male

b. female

**2. Age**

a. 18-29

c. 50-64

b. 30-49

d. 65 and above

**3. Educational background**

a. Illiterate

b. High school Graduate

c. Diploma or TVET

d. Degree

e. Masters

f. Above Masters

**4. Level of income**

a. Below 1000

c. 5000-10000

b. 1000-5000

d. Above 10000

**5. How frequently did consume Zabidar beer**

a. 1-2 times a week

c. 5-6 times a week

b. 3-4 times a week

d. daily

**Section B : Determinants of Brand Loyalty in Zebidar Beer.**

**Part I: Brand Trust a Determinant of Brand Loyalty**

Please indicate the level of agreement with the following statements.

**Key 5=Strongly Agree 4=Agree 3=Neutral 2=Disagree 1=Strongly Disagree**

S/n	Question	5	4	3	2	1
1	Brand reputation influences your loyalty for beer.					
2	Brand predictability influences your loyalty for beer.					
3	Brand competence influences your loyalty for beer.					
4	Peer influences your loyalty for beer.					
5	Switching cost influences your loyalty for beer.					

**Part II: Perceived Value a Determinant of Brand Loyalty**

Please indicate the level of agreement with the following statements.

**Key 5=Strongly Agree 4=Agree 3=Neutral 2=Disagree 1=Strongly Disagree**

S/n	Question	5	4	3	2	1
1	Does Consistency in quality affect your loyalty for beer?					
2	Does Attractive bottle packaging affect perceived value of a beer?					
3	Do you think standard of quality affects the perceived value of a beer?					
4	Does brand competence of a product influence beer loyalty?					
5	Does past usage experiences influence beer loyalty?					

### Part III: Satisfaction a Determinant of Brand loyalty

Please indicate the level of agreement with the following statements?

**Key 5=Strongly Agree 4=Agree 3=Neutral 2=Disagree 1=Strongly Disagree**

S/n	Questions	5	4	3	2	1
1	Do you think past satisfaction with Zebidar Beer Influences your brand loyalty?					
2	Do you agree that your satisfaction on the reliability of Zebidar Beer influences your loyalty for beer?					
3	Do you agree that peer approval of satisfaction for Zebidar Beer affects brand loyalty for Zebidar Beer?					
4	Do you agree that satisfaction on information quality provided by Zabidar Beer affects your loyalty for the Beer?					
5	Do you agree that perceived quality influences brand loyalty for Zebidar Beer?					

### Part IV: Price a Determinant of Brand loyalty

Indicate how strongly you agree that the following factors related to Brand Price influences brand loyalty for Zebidar Beer?

**Key 5=Strongly Agree 4=Agree 3=Neutral 2=Disagree 1=Strongly Disagree**

S/n	Question	5	4	3	2	1
1	Does the cost-effectiveness of Zabidar Beer's price affect brand loyalty					
2	Do you agree that the last purchase price affect your loyalty for Zabidar Beer?					

3	Do you agree that price consistency of Zabidar Beer influences the loyalty to it?					
4	Do you agree that value for money of Zabidar Beer influences the loyalty to it?					
5	Do you agree that competing brewers price affects the brand loyalty of Zabidar Beer?					

### **Section C: Brand Loyalty in Zebidar Beer**

Indicate how strongly you agree with these statements.

**Key 5=Strongly Agree 4=Agree 3=Neutral 2=Disagree 1=Strongly Disagree**

S/n	Statement	5	4	3	2	1
1	I intend to buy Zabidar Beer in the near future.					
2	I intend to buy other drinks of Zabidar Beer					
3	I consider Zabidar Beer as my first choice in this category					
4	The next time I need to take beer, I will buy the same beer (Zabidar Beer)					
5	I will continue to be loyal customer for Zabidar Beer.					
6	I am willing to pay a price premium over competing beers to be able to purchase Zabidar Beer again					
7	I would only consider purchasing this beer again, if it would be substantially cheaper					
8	I say positive things about Zabidar Beer to other people					
9	I recommend Zabidar Beer to someone who seeks my advice					
10	I intend to recommend this brand to other people					
11	I consider Zabidar Beer my first choice in the next few years					
12	I get good value for my money					

**THANK YOU FOR TAKING YOUR TIME TO RESPOND!!!**