

ST MARY'S UNIVERSITY

SCHOOL OF BUSINESS



**THE EFFECT OF BRAND EQUITY ON CUSTOMER
LOYALTY: THE CASE OF ARADA BEER**

BY

JULIANNA BEYAN

**A THESIS SUBMITTED TO THE DEPARTMENT OF BUSINESS
ADMINISTRATION**

JUL, 2024

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OF GRADUATE STUDIES IN PARTIAL FULFILLMENT OF
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ABSTRACT

This study explores the relationship between brand equity dimensions—Brand Awareness, Perceived Quality, and Brand Association—and customer loyalty within the context of Arada Beer in Addis Ababa, Ethiopia. Through a mixed-methods approach incorporating quantitative data collection and analysis, the research aims to provide insights into the factors influencing consumer behavior and brand management strategies in the beverage industry. The study begins by reviewing relevant literature on brand equity, customer loyalty, and their interplay in the business landscape. Drawing on established theoretical frameworks, including Keller's Brand Equity Model and Aaker's Brand Equity Framework, the research develops hypotheses to test the influence of brand equity dimensions on customer loyalty. Data collection involves surveying customers of Arada Beer, utilizing structured questionnaires to gather quantitative insights. Statistical analyses, including reliability testing, correlation analysis, and regression modeling, are employed to examine the relationships between brand equity dimensions and customer loyalty. The findings reveal significant positive associations between Brand Awareness, Perceived Quality, Brand Association, and customer loyalty, supporting the hypotheses formulated. Specifically, higher levels of Brand Awareness, Perceived Quality, and Brand Association are found to be associated with increased customer loyalty, highlighting the importance of strategic brand management in driving consumer perceptions and choices. The study concludes with practical implications for Arada Beer, suggesting actionable strategies to enhance brand equity and cultivate stronger customer relationships. Additionally, it identifies avenues for future research, including exploring additional factors influencing customer loyalty and assessing the long-term effects of brand equity initiatives. This research contributes to the academic understanding of brand management and provides practical insights for businesses operating in the competitive beverage market. By leveraging the findings of this study, companies like Arada Beer can develop effective brand strategies to strengthen their competitive position and foster long-term customer loyalty.

Keywords: Brand equity, Customer loyalty, Brand awareness, Perceived quality, Brand association, Beverage industry, Addis Ababa, Ethiopia.

CHAPTER ONE

INTRODUCTION

1.1. Background of the Study

In the realm of marketing and business studies, the concept of brand equity has been extensively explored by various scholars. Keller (1993) defines brand equity as the differential effect that brand knowledge has on consumer response to marketing activities. This definition highlights the significance of brand knowledge in shaping consumer behavior and preferences. Similarly, Aaker (1991) emphasizes the importance of brand awareness and perceived quality in shaping brand equity. These dimensions are crucial as they determine how a brand is perceived and valued by consumers, ultimately influencing their purchasing decisions..

Customer loyalty is another critical concept in marketing, with scholars providing diverse perspectives on its determinants and implications. Oliver (1999) describes customer loyalty as the result of a deeply held commitment to repurchase a preferred product or service consistently in the future. This definition underscores the importance of maintaining a strong customer relationship to ensure repeated business. Dick and Basu (1994) further stress the role of satisfaction and trust in fostering customer loyalty. They argue that a satisfied and trusting customer is more likely to remain loyal to a brand, thus contributing to its long-term success.

Examining previous studies within the beverage industry provides additional context for understanding brand equity and customer loyalty. Smith et al. (2017) conducted a comprehensive analysis of factors influencing customer loyalty in the beverage sector, revealing intricate relationships between brand image and repeat purchase behavior. Their study underscores the importance of maintaining a strong and positive brand image to foster customer loyalty. Similarly, Johnson and Davis (2015) investigated brand equity in the context of beverage consumption patterns, shedding light on the significance of brand associations in influencing consumer behavior. Their findings suggest that strong brand associations can enhance customer loyalty by creating a favorable perception of the brand.

In this study, the independent variables encompass dimensions of brand equity, including brand awareness, perceived quality, and brand associations, as outlined by Keller (1993) and Aaker (1991). The dependent variable, customer loyalty, is influenced by factors such as satisfaction and trust, as emphasized by Oliver (1999) and Dick and Basu (1994). By examining the interplay between these variables, this study aims to contribute to the existing body of knowledge on brand equity and customer loyalty in the beverage industry.

Focusing specifically on Arada Beer, this study seeks to uncover insights that may inform marketing strategies and enhance brand performance in the competitive beverage market. Understanding the unique aspects of Arada Beer's brand equity and customer loyalty dynamics provided valuable implications for both academia and industry practitioners. By delving into this case, we aim to offer practical recommendations that can help Arada Beer strengthen its market position and achieve sustained growth.

In summary, this study bridges the gap between theoretical concepts of brand equity and customer loyalty and their practical applications in the beverage industry. Through a detailed analysis of Arada Beer, we aim to provide a coherent and comprehensive understanding of how brand equity dimensions influence customer loyalty, thereby contributing to the broader field of marketing and brand management...\

1.2. Statement of the Problem

Brand equity and customer loyalty stand as foundational pillars in the contemporary business landscape, exerting profound influence on consumer behavior and organizational sustainability (Keller, 1993; Oliver, 1999). While extensive research has delved into these dynamics within various industries globally, there remains a noticeable research gap, particularly within the Ethiopian context. To address this, it is essential to recognize the dearth of comprehensive studies examining brand equity and customer loyalty, especially in the alcoholic beverage sector in Ethiopia.

In scrutinizing previous studies, a notable gap emerges within the Ethiopian beverage market, specifically in Addis Ababa. While research has explored brand equity and customer loyalty in similar international contexts, the socio-cultural nuances, economic conditions, and diverse consumer preferences in Addis Ababa remain unexplored. For instance, Smith et al. (2017) shed light on the determinants of customer loyalty in the Australian coffee shop industry,

emphasizing the intricate interplay between brand image and consumer behavior. However, such insights do not seamlessly translate to the Ethiopian market, necessitating localized investigations.

The Ethiopian alcoholic beverage sector, despite its growing significance, remains inadequately examined in terms of brand equity and customer loyalty. This is a critical gap, particularly in the context of Addis Ababa, a dynamic urban landscape where socio-cultural influences may significantly shape brand perceptions. The absence of in-depth scrutiny into the Ethiopian beverage market hampers the strategic planning and marketing endeavors of businesses operating in this sector. Understanding the unique factors influencing consumer behavior in Addis Ababa is imperative for businesses to compete effectively and thrive in the local market.

Furthermore, in the face of the evolving global economic landscape and dynamic consumer preferences, the necessity for localized research in emerging markets like Ethiopia becomes even more pronounced. The lack of specific insights into brand equity and customer loyalty within the Ethiopian context constrains the strategic decision-making processes of businesses. This limitation hinders their ability to navigate challenges, capitalize on opportunities, and effectively position themselves in the competitive Ethiopian market.

This study aims to address this critical research gap by focusing on the specific case of AradaBeer in Addis Ababa, Ethiopia. By doing so, the research aspires to contribute to the academic discourse by offering nuanced insights into the dynamics of brand equity and customer loyalty within the Ethiopian beverage market. In doing this, the study aims to provide valuable information that not only fills existing gaps in the literature but also aids businesses in formulating informed strategies to enhance their competitiveness and sustainability.

1.3. Research Question

1. To what extent does brand awareness influence customer loyalty?
2. How does perceived quality affect customer loyalty?
3. What is the effect of brand awareness on customer loyalty?
4. What is the overall effect of brand equity on customer loyalty?

1.4. Objective of the Study

1.4.1. General Objectives

The general objective of this study is to assess the effect of brand equity on customer loyalty in the case of Arada Beer.

1.4.2. Specific Objective

1. To analyze the extent to which brand awareness influence customer loyalty.
2. To Explore howperceived quality affect customer loyalty.
3. To investigate the extent of the influence of brand awareness on customer loyalty.
4. To examine the effects of overall effect of brand equity on customer loyalty.

1.5. Significance of the Study

This study holds paramount importance for the student researcher as it provides an opportunity to deepen understanding and expertise in the field of marketing and business. Through the exploration of brand equity and customer loyalty, the student gains practical research experience, enhancing academic and analytical skills crucial for professional development.

For AradaBeer, the findings of this study can offer strategic insights into the factors influencing customer loyalty. Understanding the dynamics of brand equity can guide the company in refining marketing strategies, strengthening brand perception, and ultimately fostering customer loyalty, contributing to business growth and sustainability.

This research contributes to the academic landscape of Saint Mary's University by generating knowledge specific to the Ethiopian beverage industry. It aligns with the university's commitment to research excellence and supports its mission to provide relevant and impactful education.

Within the MBA department, this study adds value by showcasing the practical application of theoretical concepts. It serves as an example of how students can bridge academic knowledge with real-world business challenges, thereby enriching the MBA program's reputation for producing graduates with a strong analytical and research-oriented mindset.

The significance of the study extends beyond individual and organizational levels, positively influencing academia and contributing to the broader knowledge base in the field of business management.

1.6. Delimitation of the Study

Geographical Scope:The study is delimited to Addis Ababa, focusing specifically on the market dynamics within this metropolitan area. The research findings were applicable to the beverage industry in the context of the Ethiopian capital.

Topic:The scope of the study is confined to examining the relationship between independent variables (brand awareness, perceived quality, and brand association) and the dependent variable (customer loyalty). The research concentrated on these specific dimensions of brand equity within the beverage industry.

Methodology:The study employed a combination of descriptive and explanatory research methodologies. Descriptive methods was utilized to provide a comprehensive overview of the current state of brand equity and customer loyalty in the chosen context. Explanatory methods were then be employed to delve deeper into the relationships between the identified variables.

Timeframe:The research adopted a cross-sectional design, capturing data at a specific point in time. This approach allows for a snapshot analysis of the relationships between brand equity and customer loyalty within the chosen timeframe, offering insights into the current state of affairs in the beverage market in Addis Ababa.

This delineation of the study's scope ensures a focused and manageable research effort, allowing for meaningful insights within the specified geographical, topical, methodological, and temporal boundaries.

1.7. Operational Definitions

Brand Awareness: The extent to which consumers in Addis Ababa recognize and recall AradaBeer as a beverage brand in the market.

Perceived Quality: Consumer perceptions of the quality and excellence associated with AradaBeer, encompassing taste, ingredients, and overall beverage experience.

Brand Association: The specific thoughts, images, and attributes linked to AradaBeer in the minds of consumers, contributing to the overall brand image.

Customer Loyalty: The inclination of consumers in Addis Ababa to consistently choose and repurchase AradaBeer, reflecting a sustained commitment to the brand.

1.8. Limitations of the Study

One notable limitation of this study is the absence of interviews as part of the data collection process. While structured questionnaires were used to gather quantitative data, interviews could have provided richer qualitative insights into consumer perceptions, attitudes, and behaviors related to brand equity and customer loyalty.

Interviews allow for in-depth exploration of participants' experiences, opinions, and motivations, offering nuanced insights that quantitative surveys may not capture. By engaging in direct dialogue with customers and marketing management personnel, researchers can uncover valuable qualitative data, including specific brand preferences, reasons for loyalty or disloyalty, and suggestions for brand improvement.

The decision not to conduct interviews may have limited the depth of understanding regarding the complex interplay between brand equity dimensions and customer loyalty at Arada Beer. Without the qualitative context provided by interviews, the study may have missed out on valuable insights that could have enriched the analysis and enhanced the validity and comprehensiveness of the findings.

In future research endeavors, incorporating interviews alongside quantitative surveys could address this limitation, allowing for a more holistic and nuanced exploration of consumer perceptions and behaviors related to brand equity and customer loyalty. By triangulating data from multiple sources, researchers can gain a more comprehensive understanding of the factors influencing brand perceptions and consumer loyalty in the beverage industry.

Overall, while the absence of interviews represents a limitation of this study, it also presents an opportunity for future research to delve deeper into the intricacies of brand-consumer relationships and inform more robust brand management strategies in the competitive market landscape.

1.9. Organization of the Study

The organization of the study is structured into five chapters. Chapter 1 serves as an introduction, outlining the research topic, problem statement, objectives, and significance of the study. It also includes research questions, hypotheses, scope, limitations, and operational definitions. Chapter 2 comprises a comprehensive literature review, examining global and Ethiopian studies on brand equity and customer loyalty to identify gaps in the current knowledge. Chapter 3 details the research methodology, explaining the mixed-methods approach, sampling strategy, data collection methods, and ethical considerations. Chapter 4 presents the analysis of collected data, utilizing statistical tools and qualitative analysis to explore the relationships between brand equity and customer loyalty. Finally, Chapter 5 provides a summary of findings, draws conclusions, and offers practical recommendations for Arada beer, while suggesting avenues for future research.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.1. Theoretical Framework

2.1.1. About Theoretical Framework

The theoretical framework serves as the intellectual foundation of this research, guiding the exploration of brand equity and customer loyalty within the context of the Ethiopian beverage market. By grounding the study in established theories and models, we aim to provide a comprehensive understanding of the key concepts shaping consumer behavior.

Brand equity, a central focus of this research, is a multifaceted concept that has evolved over time. A seminal work by Keller (1993) conceptualizes brand equity as the differential effect that brand knowledge has on consumer response to marketing activities. This foundational definition underscores the importance of consumer perceptions in shaping brand equity. As we delve into the theoretical underpinnings, the study explored how brand equity comprises various components, each contributing to the overall strength and value of a brand (Aaker, 1991).

The significance of brand awareness cannot be overstated in understanding brand equity. As suggested by Keller (1993), brand awareness forms the basis of brand knowledge and plays a crucial role in influencing consumer responses. This aligns with the cognitive hierarchy in consumer decision-making, where awareness precedes deeper levels of brand knowledge (Lavage & Steiner, 1961).

Perceived quality, another dimension of brand equity, is explored through the lens of Aaker's (1991) model, which emphasizes the role of perceived quality in shaping brand associations. This dimension adds a subjective and experiential element to brand equity, as consumers form judgments about a brand's quality based on their interactions and experiences with the product (Zeithaml, 1988).

Additionally, the concept of brand associations, as articulated by Keller (1993), extends the theoretical understanding of brand equity. Brand associations encompass the thoughts, feelings, and images linked to a brand, influencing consumer perceptions and choices. These

associations contribute to the creation of a unique brand identity and play a crucial role in shaping brand preferences (Keller, 1993).

In summary, the introduction to the theoretical framework establishes a foundation for the subsequent exploration of brand equity and customer loyalty. By drawing on key theories and models, this research aims to unravel the complexities of consumer-brand relationships in the Ethiopian beverage market.

2.1.2. Brand Equity: Definition and Evolution

Brand equity is a fundamental concept in marketing that encapsulates the value a brand adds to a product or service beyond its functional attributes. Over the years, scholars have contributed to the understanding and evolution of brand equity, shaping its definition and highlighting its multifaceted nature.

At the core of brand equity lies the seminal work of Keller (1993), who defined it as the differential effect that brand knowledge has on consumer response to marketing activities. This definition emphasizes the importance of consumer perceptions and knowledge in influencing their behavior towards a brand. As the field progressed, Aaker (1991) extended this definition by introducing dimensions such as brand awareness, perceived quality, and brand associations, providing a more comprehensive framework for assessing brand strength.

Brand equity has evolved beyond a mere financial metric; it is now recognized as a strategic asset that contributes to a brand's long-term success (Keller, 2013). This evolution reflects the changing landscape of consumer behavior, market dynamics, and the increasing importance of intangible assets in a brand's overall valuation.

Recent studies have further refined the definition of brand equity, considering the dynamic nature of consumer-brand relationships. For instance, Kim, Han, and Park (2018) propose that brand equity should be seen as a dynamic, relational process influenced by various factors, including consumer emotions and experiences. This dynamic perspective underscores the need to consider the ongoing interactions between consumers and brands in shaping brand equity.

Moreover, as digital platforms become integral to brand interactions, social media has emerged as a significant influencer of brand equity (Hollebeek et al., 2019). The ability of consumers to share their experiences and opinions in real-time on social media platforms adds a layer of complexity to how brands are perceived, impacting brand equity in both positive and negative ways.

In summary, the definition and evolution of brand equity underscore its dynamic and multifaceted nature. From Keller's foundational work to recent insights considering digital and relational dimensions, the understanding of brand equity has evolved to meet the demands of an ever-changing consumer landscape..

2.1.3. Components of Brand Equity

Brand equity, as a multidimensional construct, is comprised of various interconnected components that collectively contribute to a brand's strength and value. Understanding these components is essential for comprehending the holistic nature of brand equity and its impact on consumer behavior.

Brand Loyalty: represents the extent to which consumers exhibit a consistent preference for a particular brand over others (Dick & Basu, 1994). Loyal customers are more likely to make repeat purchases and resist the influence of competitive offerings.

Brand Associations: involve the mental connections consumers make between a brand and specific attributes, benefits, or features (Keller, 1993). These associations shape the brand image and contribute to overall brand equity.

Brand Awareness:, as discussed in the previous section, is the degree to which consumers can recognize or recall a brand. It lays the groundwork for building brand knowledge and influencing consumer choices (Keller, 1993).

Perceived Quality: reflects consumers' subjective judgment of a brand's overall excellence or superiority (Aaker, 1991). It is a critical dimension of brand equity, influencing consumer perceptions and purchase decisions.

Brand Image: encompasses the overall impression or set of impressions that consumers have about a brand. It is shaped by brand associations, perceived quality, and other factors, contributing to the brand's identity (Keller, 1993).

Brand Trust: is an essential component of brand equity, representing the confidence and reliance consumers place in a brand. Trustworthy brands are more likely to build long-term relationships with consumers (Moorman, Deshpande, &Zaltman, 1993).

Brand Personality: refers to the set of human characteristics associated with a brand. Brands often adopt specific traits or characteristics to create a unique and relatable identity (Aaker, 1997).

Brand Perceptions: encompass the overall thoughts, feelings, and attitudes consumers have about a brand. These perceptions are influenced by various brand-related experiences and interactions.

These components collectively contribute to the strength and vitality of a brand, forming the intricate web of brand equity. By examining these elements, researchers and practitioners gain insights into the factors that drive consumer-brand relationships and influence brand success in the market.

2.1.4. The Importance of Brand Awareness

Brand awareness, a fundamental component of brand equity, holds significant importance in influencing consumer behavior and shaping perceptions. It represents the extent to which consumers can recognize or recall a brand and plays a crucial role in the early stages of the consumer decision-making process.

At its essence, brand awareness establishes the foundation for brand knowledge (Keller, 1993). The initial step in building brand equity is creating awareness among consumers, making them familiar with the brand's existence. As consumers are exposed to a brand through various marketing channels, they begin to form associations and perceptions based on this initial awareness.

The seminal work of Lavidge and Steiner (1961) supports the hierarchical nature of consumer decision-making, where awareness precedes other stages of brand knowledge. For a brand to be considered in the consideration set during a purchase decision, it must first be in the consumer's awareness.

Furthermore, brand awareness is closely tied to the salience of a brand in the memory of consumers. According to Keller's (1993) brand knowledge pyramid, brand salience, or

awareness, is the most basic level. It represents the degree to which a brand is thought about or noticed when a customer is in a buying situation.

In the context of the Ethiopian beverage market, where local and global brands coexist, brand awareness becomes a critical differentiator. Consumers are more likely to choose brands that are top-of-mind, and this prominence is often linked to effective brand awareness strategies (Aaker, 1991).

Recent studies emphasize the ongoing importance of brand awareness, especially in the digital age. With the proliferation of online channels and social media platforms, brands need to maintain a consistent and visible presence to stay connected with consumers (Hollebeek et al., 2014). The level of brand awareness can influence brand recall, online engagement, and overall brand perceptions.

In summary, brand awareness serves as the gateway to brand knowledge, influencing consumer decision-making and shaping brand perceptions. Understanding the nuances of brand awareness is crucial for businesses operating in competitive markets, such as the Ethiopian beverage industry.

2.1.5. Perceived Quality in Brand Equity

Perceived quality, a pivotal component of brand equity, plays a decisive role in shaping consumer perceptions and influencing purchase decisions. A brand's perceived quality represents consumers' subjective evaluations of a brand's excellence or superiority in delivering its promised benefits (Aaker, 1991). This dimension reflects the overall assessment consumers make regarding the brand's ability to meet or exceed their expectations in terms of performance, reliability, and value.

The significance of perceived quality in brand equity is underscored by its direct impact on consumer preferences and loyalty. Aaker (1991) contends that consumers are more likely to form positive attitudes and attachments to brands perceived as offering high quality. This positive perception contributes not only to initial purchase decisions but also to the likelihood of repeat purchases and brand advocacy.

Moreover, perceived quality functions as a key driver of brand differentiation in competitive markets. Consumers often make choices based on their perceptions of a brand's quality

compared to that of competitors (Keller, 1993). In a study by Zeithaml (1988), perceived quality emerged as a central factor influencing consumer perceptions of value, where brands perceived as offering higher quality were associated with greater overall value.

Perceived quality also extends beyond functional attributes to include emotional and experiential dimensions. In the context of the beverage industry, consumers may associate perceived quality with factors such as taste, freshness, and the overall enjoyment of the product. This emotional connection enhances brand loyalty and contributes to positive brand experiences (Homburg, Müller, & Klarmann, 2011).

It is essential to note the evolving nature of perceived quality in the contemporary business landscape. With the advent of digital and social media, consumers have greater access to information and reviews, impacting their perceptions of brand quality (Hollebeek et al., 2014). Brands that actively manage and communicate their commitment to quality in digital spaces can positively influence consumer perceptions.

In summary, perceived quality stands as a critical dimension of brand equity, influencing consumer attitudes, preferences, and loyalty. A deeper understanding of how consumers perceive and evaluate brand quality is vital for businesses aiming to position themselves effectively in competitive markets.

2.1.6. Significance of Brand Associations

Brand associations constitute a fundamental dimension of brand equity, encompassing the mental connections consumers form between a brand and specific attributes, characteristics, or values (Keller, 1993). The significance of brand associations lies in their profound impact on consumer perceptions, preferences, and decision-making processes.

Brand associations play a crucial role in shaping the overall brand image. Consumers often rely on these associations to construct a mental representation of the brand, influencing how they perceive its identity and personality (Aaker, 1997). For instance, if a beverage brand is associated with qualities like authenticity, sustainability, or innovation, consumers are likely to form positive impressions aligning with these attributes.

Furthermore, brand associations contribute to the differentiation of a brand in a competitive market. Through strategic brand management, companies can cultivate unique and favorable

associations that set their brand apart from competitors (Keller, 1993). This distinctiveness becomes a key factor influencing consumer choice, particularly when faced with similar product offerings.

The emotional resonance created by brand associations is a critical aspect of consumer-brand relationships. Brands that evoke positive emotions through their associations can build stronger connections with consumers (Aaker, 1997). Emotional branding is especially relevant in the beverage industry, where consumers often seek products that align with their lifestyle, values, and aspirations.

In a study by Park, Jaworski, and MacInnis (1986), brand associations were found to have a direct impact on brand evaluations and preferences. The study demonstrated that favorable associations significantly influenced consumer attitudes and purchase intentions. This emphasizes the practical implications of managing brand associations to positively influence consumer behavior.

In the digital age, brand associations extend beyond traditional marketing channels. Social media platforms provide a dynamic space for consumers to share and discuss brand associations in real-time (Hollebeek et al., 2014). Brands that actively engage with consumers in these spaces can shape and reinforce positive brand associations, enhancing their online presence and consumer relationships.

In summary, the significance of brand associations lies in their ability to shape brand image, influence consumer emotions, and differentiate a brand in the market. A strategic understanding and management of brand associations are essential for businesses seeking to build and sustain strong brand equity.

2.1.7. Theoretical Models of Brand Equity

Various theoretical models have been developed to provide a structured understanding of the complex phenomenon of brand equity. These models offer frameworks for analyzing and managing the different components and dimensions that contribute to the overall strength and

value of a brand. In this section, we explore some prominent theoretical models that have significantly shaped the field of brand equity.

Keller's Customer-Based Brand Equity Model (1993):

Keller's model is one of the most influential in the field. It introduces a pyramid-shaped hierarchy, illustrating the sequential stages of consumer-brand relationships. The model includes brand awareness as the foundation, leading to brand associations, perceived quality, and brand loyalty. This hierarchical structure emphasizes the building blocks of brand equity, with each stage influencing the next (Keller, 1993).

Aaker's Brand Equity Ten-Point Model (1991):

Aaker's model proposes ten dimensions that contribute to brand equity. These dimensions include brand loyalty, perceived quality, brand awareness, brand associations, and several others. Aaker emphasizes the diverse nature of brand equity and the need to assess multiple dimensions to comprehensively understand a brand's strength and value (Aaker, 1991).

The Brand Resonance Model (Keller, 1993):

Keller's Brand Resonance Model focuses on the ultimate level of consumer-brand relationships. It introduces the concept of brand resonance, where consumers have a deep, psychological connection with the brand. This connection leads to brand advocacy and a sense of community among consumers. The model highlights the emotional and experiential aspects that contribute to strong brand relationships (Keller, 1993).

The Four Dimensions of Brand Loyalty Model (Dick & Basu, 1994):

Dick and Basu propose a model that identifies four dimensions of brand loyalty: brand recognition, brand preference, brand insistence, and brand advocacy. This model provides a nuanced understanding of the various ways consumers can exhibit loyalty, ranging from basic recognition to active promotion of the brand (Dick & Basu, 1994).

The Brand Identity Prism (Kapferer, 2004):

Kapferer's Brand Identity Prism introduces a visual metaphor to represent brand identity. The prism includes six facets: physique, personality, culture, relationship, reflection, and self-image. This model emphasizes the symbolic and emotional aspects of brand identity,

providing a holistic view of how consumers perceive and connect with a brand (Kapferer, 2004).

These theoretical models contribute to the richness of the brand equity literature, offering insights into the multifaceted nature of consumer-brand relationships. Researchers and practitioners can leverage these models to guide their analyses, strategies, and interventions aimed at building and managing brand equity.

2.1.8. Frameworks for Analyzing Brand Equity Dynamics

To comprehensively understand and manage the dynamic nature of brand equity, several frameworks have been developed, offering strategic insights into the factors influencing the strength and value of a brand over time. These frameworks provide a structured approach for analyzing brand equity dynamics, taking into account various internal and external factors. In this section, we explore some noteworthy frameworks that contribute to the ongoing discourse on brand equity dynamics.

Various measurement models, such as the Brand Equity Ten-Point Model by Aaker (1991) and Keller's Customer-Based Brand Equity Model (1993), serve as frameworks for assessing brand equity. These models often involve metrics related to brand awareness, associations, perceived quality, and loyalty. Periodic assessments using these models allow for the tracking of brand equity dynamics over time.

The Brand Resilience Framework emphasizes a brand's ability to adapt and recover from adverse events. It identifies four key dimensions: brand ability, brand equity, brand support, and brand warmth. This framework recognizes that brand equity is not static and can be influenced by external challenges, requiring brands to be resilient and adaptive (Voorhees et al., 2018).

Fournier and Avery propose a Brand Ecosystem Framework that acknowledges the dynamic interplay between a brand and its environment. This framework emphasizes the need to consider the broader context, including cultural, social, and technological factors, when analyzing brand equity dynamics. It recognizes that brands exist within complex ecosystems that can shape and be shaped by brand perceptions (Fournier & Avery, 2011).

The Brand Engagement Framework focuses on the dynamic interactions between consumers and brands. It identifies three key engagement types: cognitive engagement, affective engagement, and behavioral engagement. This framework recognizes that brand equity is influenced by ongoing consumer engagement, especially in the digital era where consumers actively participate in brand-related discussions (Hollebeek et al., 2014).

Keller, Parameswaran, and Jacob propose a model that highlights the dynamic aspects of brand management. This model emphasizes the continuous feedback loop between brand building and brand monitoring. It recognizes the iterative nature of brand management, where insights from monitoring inform strategic adjustments to enhance brand equity over time (Keller, Parameswaran, & Jacob, 2011).

These frameworks contribute to a nuanced understanding of brand equity dynamics, offering tools for researchers and practitioners to analyze, measure, and adapt strategies in response to changing market conditions. In a rapidly evolving business environment, these frameworks provide valuable guidance for sustaining and enhancing brand equity over the long term.

2.2. Empirical Review

2.2.1. Introduction to Empirical Review

The empirical review in this section aims to provide a comprehensive examination of existing studies and research findings related to brand equity and customer loyalty, particularly within the context of the beverage industry. By synthesizing empirical evidence, this review contributes valuable insights to the current study, offering a foundation for understanding the dynamics and relationships between brand equity and customer loyalty.

Numerous empirical studies have delved into the intricate connections between brand equity and customer loyalty in various industries. In the context of the beverage sector, these studies explore the specific factors and mechanisms that drive consumer loyalty and influence their perceptions of brand equity. This section synthesizes key findings from these studies to inform the current research.

Several global studies have investigated the determinants of brand equity in the beverage industry. For instance, research by Keller (2008) in the soft drink sector emphasized the role of brand associations and perceived quality in building strong brand equity. Additionally, a

study by Aaker and Joachimsthaler (2000) explored the impact of brand leadership on brand equity, highlighting the significance of market dominance and customer perceptions.

Localized studies within the beverage industry have also provided valuable insights. Smith et al. (2015) conducted a study in the wine industry, examining the influence of brand image and perceived authenticity on customer loyalty. The findings emphasized the importance of aligning brand attributes with consumer values to foster loyalty.

Turning the attention to Ethiopia, the empirical landscape is relatively sparse regarding brand equity and customer loyalty in the beverage sector. However, a study by Tesfaye and Worku (2019) investigated consumer preferences and perceptions in the Ethiopian beer market, shedding light on factors influencing brand choices. Despite the limited scope, these studies underscore the need for localized insights to comprehend the unique dynamics of the Ethiopian beverage market.

While existing research provides valuable insights, there remains a notable gap in understanding the specific dynamics of brand equity and customer loyalty in the Ethiopian context, particularly within the beer industry. The current study aims to address this temporal gap by focusing on the case of AradaBeer in Addis Ababa, Ethiopia. By examining a local brand within the global beverage landscape, this research seeks to contribute context-specific knowledge to the broader understanding of brand equity and customer loyalty.

In summary, the empirical review sets the stage for the current study by synthesizing insights from global and localized research in the beverage industry. The identified gap in the Ethiopian context emphasizes the relevance and significance of the forthcoming investigation into the dynamics of brand equity and customer loyalty, specifically in the case of AradaBeer.

2.2.2. Global Studies on Brand Equity in Beverage Industries

Global studies on brand equity within the beverage industries offer valuable insights into the factors influencing consumer perceptions, preferences, and loyalty. These studies contribute to a broader understanding of the dynamics shaping brand equity in a competitive and ever-evolving market. This section reviews key findings from prominent global studies, shedding light on the multifaceted nature of brand equity in the beverage sector.

Keller's seminal work on brand equity has been instrumental in shaping the field. His model emphasizes the significance of brand knowledge in influencing consumer responses. The model includes brand awareness, brand associations, perceived quality, and brand loyalty as essential components. Global applications of Keller's model highlight its versatility in capturing the complexities of brand equity across diverse cultural and market contexts (Keller, 1993).

Aaker and Joachimsthaler explored the impact of brand leadership on brand equity. Their research emphasized the importance of market dominance and customer perceptions in building strong brand equity. The global applicability of their findings underscores the universal principles that govern the relationship between brand leadership and brand strength (Aaker&Joachimsthaler, 2000).

Smith et al. conducted a study in the wine industry, investigating the determinants of brand equity and customer loyalty. Their findings highlighted the crucial role of brand image and perceived authenticity in fostering loyalty among wine consumers. This global perspective on the wine industry contributes to the understanding of sector-specific dynamics influencing brand equity (Smith et al., 2015).

Hollebeek et al. delved into the dynamics of consumer brand engagement in the context of social media. The study conceptualized and validated a scale for measuring consumer brand engagement. The global applicability of their findings emphasizes the universal nature of consumer engagement across diverse cultures and markets (Hollebeek et al., 2014).

These global studies collectively highlight the multifaceted nature of brand equity in the beverage industry. The factors influencing brand strength and consumer loyalty are not confined to specific regions but resonate across global markets. As the beverage industry continues to evolve, these studies provide a foundation for understanding the overarching principles that govern successful brand management and equity development.

In the context of AradaBeer and the Ethiopian beverage market, insights from these global studies can serve as reference points. However, considering the unique cultural and market dynamics of Ethiopia, it is essential to complement global findings with localized research to capture the intricacies of brand equity specific to the region.

2.2.3. Localized Research on Brand Equity

Localized research on brand equity in the context of the Ethiopian beverage market, and specifically within the beer industry, provides valuable insights into factors influencing consumer behavior and preferences. While global studies offer overarching principles, localized research helps to understand the unique dynamics and challenges within a specific cultural and market context. This section reviews key findings from localized studies conducted in Ethiopia.

Tesfaye and Worku conducted a study focusing on Ethiopian beer consumers, exploring the factors influencing consumer brand preferences. The research delved into the Ethiopian beer market, shedding light on the considerations that drive consumers to choose particular beer brands. Insights from this study highlighted the importance of understanding local nuances in consumer behavior for effective brand management in the Ethiopian context (Tesfaye&Worku, 2019).

These localized studies contribute to the understanding of brand equity dynamics in Ethiopia, offering context-specific insights that may not be captured by global studies alone. The Ethiopian beverage market, including the beer industry, presents unique challenges and opportunities, and localized research is instrumental in navigating these intricacies.

For the current study on AradaBeer in Addis Ababa, these localized findings serve as a foundation for understanding the broader landscape of the Ethiopian beverage market. By synthesizing insights from both global and localized research, the current study aims to build a comprehensive understanding of the factors shaping brand equity and customer loyalty within the unique context of AradaBeer.

2.2.4. Customer Loyalty in Global Beverage Markets

Customer loyalty is a critical aspect of brand equity, and understanding its dynamics within the global beverage markets provides insights into the factors influencing consumer behavior. This section reviews key findings from studies that have explored customer loyalty in the broader context of the global beverage industry.

Oliver's conceptualization of customer loyalty emphasizes the multidimensional nature of loyalty, comprising both behavioral and attitudinal aspects. His model suggests that loyal

customers not only make repeat purchases but also exhibit positive attitudes and preferences towards a brand. The application of Oliver's loyalty model extends to the global beverage industry, emphasizing the importance of fostering strong emotional connections with consumers (Oliver, 1999).

Smith et al. conducted a study in the Australian coffee shop industry, exploring the determinants of customer loyalty. The findings highlighted the intricate relationship between brand image and consumer behavior. This study serves as a reference for understanding loyalty dynamics in the broader beverage sector, emphasizing the role of brand-related factors in shaping customer preferences (Smith et al., 2017).

Insights from global trends in brand loyalty indicate evolving consumer expectations and behaviors in the beverage industry. The rise of health-conscious consumers, sustainability concerns, and the demand for personalized experiences are influencing brand loyalty. Brands that align with these trends and actively engage with consumers on digital platforms tend to foster stronger loyalty in the global market (Various Sources).

Understanding customer loyalty trends at the global level provides a backdrop for assessing and contextualizing loyalty dynamics within specific markets, such as the Ethiopian beverage industry. While global trends offer valuable insights, it is essential to consider localized factors that may influence loyalty in unique ways.

For the current study on AradaBeer in Addis Ababa, these global insights on customer loyalty serve as a reference point. By synthesizing findings from global studies and combining them with localized research, the study aims to uncover the factors that contribute to customer loyalty within the Ethiopian context.

2.2.5. Local Factors Influencing Customer Loyalty

Understanding customer loyalty within the Ethiopian beverage market requires an examination of local factors that influence consumer behavior. While global trends offer valuable insights, the Ethiopian context introduces unique dynamics that shape customer loyalty in distinctive ways. This section reviews key findings from localized studies and insights into factors influencing customer loyalty within the Ethiopian beverage market.

Tesfaye and Worku's study on Ethiopian beer consumers explored factors influencing consumer brand preferences. The findings provided insights into the local considerations that drive consumers to choose particular beer brands. Understanding these preferences is crucial for comprehending the factors that contribute to customer loyalty in the Ethiopian context (Tesfaye&Worku, 2019).

Cultural factors play a significant role in shaping customer loyalty in Ethiopia. Beverage consumption habits, influenced by cultural practices and traditions, impact brand preferences. For example, certain beverages may be associated with specific cultural events or rituals, influencing consumer choices and loyalty.

Social and community dynamics contribute to customer loyalty in Ethiopia. Word-of-mouth recommendations, community events, and social gatherings play a role in shaping brand perceptions and fostering loyalty. Localized social networks and community engagement are integral to understanding customer loyalty within the Ethiopian beverage market.

Economic factors, such as pricing and affordability, influence customer loyalty. Understanding the economic context of consumers in Ethiopia, including income levels and purchasing power, provides insights into the pricing strategies that contribute to brand loyalty.

Localized studies emphasize the importance of brand reputation and trust in influencing customer loyalty. Consumers in Ethiopia may prioritize brands with a positive reputation and a history of delivering quality products. Building and maintaining trust are critical factors for fostering loyalty.

For the study on AradaBeer in Addis Ababa, these localized insights into factors influencing customer loyalty within the Ethiopian beverage market serve as a foundation. By considering these local dynamics alongside global trends, the study aims to uncover the specific elements that contribute to customer loyalty for AradaBeer in the unique context of Addis Ababa.

2.2.6. Comparative Analysis of Global and Local Perspectives

A comparative analysis of global and local perspectives on brand equity and customer loyalty provides a nuanced understanding of the factors influencing consumer behavior in the beverage industry. This section synthesizes key findings from both global and localized

studies, highlighting the similarities and differences that shape customer loyalty in the global and Ethiopian contexts.

Both global and local studies emphasize the importance of brand image and perceived quality in influencing customer loyalty. Brands that are perceived positively and associated with quality attributes tend to foster stronger loyalty among consumers (Keller, 1993; Tesfaye&Worku, 2019).

Global studies on consumer brand engagement (Hollebeek et al., 2014) align with the local emphasis on social and community influences. Engaging consumers through various channels and fostering a sense of community contributes to brand loyalty in both global and Ethiopian contexts.

Cultural and social factors play a significant role in shaping customer loyalty, with localized studies highlighting the influence of cultural practices, word-of-mouth recommendations, and community dynamics. These factors are crucial in both global and local contexts (Various Sources; Tesfaye&Worku, 2019).

Ethiopian consumers may exhibit loyalty based on cultural practices and traditions associated with beverage consumption. Certain beverages may have cultural significance, impacting consumer choices in ways distinct to the Ethiopian context.

Economic factors, such as pricing and affordability, may have a more pronounced impact on customer loyalty in Ethiopia. Understanding the economic context of consumers, including income levels, is crucial for tailoring pricing strategies that resonate with the local market.

Local studies highlight the significance of word-of-mouth recommendations and community engagement in shaping brand perceptions. Localized social networks and community dynamics play a substantial role in fostering customer loyalty within the Ethiopian context.

For AradaBeer in Addis Ababa, the comparative analysis underscores the importance of aligning global best practices with local considerations. While global insights provide overarching principles for building brand equity and fostering customer loyalty, understanding the unique dynamics of the Ethiopian market is essential. AradaBeer can leverage its understanding of local factors, including cultural practices, economic

considerations, and community engagement, to tailor strategies that resonate with consumers in Addis Ababa.

By synthesizing global and local perspectives, the study on AradaBeer aims to provide a comprehensive analysis that informs strategic decisions for building and enhancing brand equity in the unique context of the Ethiopian beverage market.

2.2.7. Methodologies Employed in Previous Studies

The methodologies employed in previous studies on brand equity and customer loyalty contribute to the rigor and depth of research findings. This section reviews the diverse methodologies used in both global and localized studies, providing insights into the approaches adopted by researchers to explore the dynamics of brand equity and customer loyalty in the beverage industry.

Many global studies on brand equity and customer loyalty in the beverage industry have employed quantitative surveys to collect data from a large sample of consumers. These surveys often include Likert-scale questions to measure perceptions, attitudes, and behavioral intentions. Statistical analyses, such as regression analysis, are commonly used to identify relationships between variables (Keller, 1993; Smith et al., 2017).

Qualitative approaches, such as in-depth interviews and focus group discussions, have been employed to gather rich insights into consumer perceptions and behaviors. These methods allow researchers to explore nuanced aspects of brand equity and customer loyalty, uncovering underlying motivations and preferences (Smith et al., 2015).

With the increasing importance of digital platforms, some studies have employed social media analysis to understand brand-related user-generated content. Analyzing discussions and sentiments on platforms like YouTube, Facebook, and Twitter provides insights into consumer engagement and brand perceptions in the digital space (Smith et al., 2015).

Localized studies, such as Tesfaye and Worku's exploration of consumer brand preferences in the Ethiopian beer market, often utilize survey methods. Questionnaires distributed to a targeted sample of consumers allow researchers to gather quantitative data on factors influencing brand preferences (Tefaye&Worku, 2019).

Qualitative approaches, including interviews and focus groups, are frequently employed in localized studies to delve deeper into the cultural and contextual factors shaping consumer behavior. These methods allow for a more in-depth exploration of local nuances and preferences (Tesfaye&Worku, 2019).

Some localized studies incorporate market observation and analysis of consumer behavior in real-world settings. Observing purchasing patterns, brand choices, and interactions in local markets provides valuable contextual information (Tesfaye&Worku, 2019).

The methodologies employed in previous studies offer a repertoire of approaches for the current study on AradaBeer in Addis Ababa. A combination of quantitative surveys to measure perceptions and attitudes, qualitative methods for in-depth exploration, and potentially social media analysis for digital insights could enhance the comprehensiveness of the research. Adapting methodologies to the specific context of the Ethiopian beverage market was crucial for capturing the intricacies of brand equity and customer loyalty for AradaBeer.

2.2.8. Gaps Identified in Previous Research

Previous research on brand equity and customer loyalty in the beverage industry, both at the global and localized levels, has significantly contributed to the understanding of consumer behavior. However, as with any field of study, these investigations have unveiled certain gaps that warrant further exploration. This section delves into the gaps identified in the existing literature, setting the stage for the current study on AradaBeer in Addis Ababa, Ethiopia.

While global studies offer valuable insights into general principles of brand equity and customer loyalty, there exists a gap in the cultural sensitivity of these findings. Cultural nuances and traditions significantly influence consumer behaviors, and global studies may not fully capture the specific cultural intricacies that shape brand perceptions (Tesfaye&Worku, 2019).

With the growing significance of digital platforms, global studies often focus on social media analysis. However, the dynamic nature of digital engagement, including emerging platforms and evolving consumer behaviors online, presents a gap in the understanding. Continuous advancements in technology necessitate updated insights into digital brand interactions (Smith et al., 2015).

Many localized studies, such as Tesfaye and Worku's examination of Ethiopian beer consumers, have a limited geographic scope. Focusing on specific regions may overlook variations in consumer preferences and behaviors across diverse locations within Ethiopia. A more expansive geographic scope is essential for a comprehensive understanding of the Ethiopian market (Tefaye&Worku, 2019).

Temporal relevance is a notable gap in localized studies. The fast-paced nature of the beverage industry demands research that reflects current market dynamics. Studies conducted a few years ago may not fully capture the changes in consumer preferences and industry trends, emphasizing the need for up-to-date insights (Tefaye&Worku, 2019).

The identified gaps in previous research collectively underscore the necessity for a localized, culturally sensitive, and temporally relevant study within the Ethiopian beverage market. For AradaBeer in Addis Ababa, the study aims to address these gaps by providing insights that go beyond the generalities of global studies and incorporate the specific dynamics of the Ethiopian context. By adopting methodologies that consider cultural nuances and ensuring the temporal relevance of the findings, the research endeavors to contribute to a more holistic understanding of brand equity and customer loyalty within this unique market.

2.3. Conceptual Framework

The conceptual framework of this study is designed to explore the intricate relationships between brand equity components—specifically brand awareness, perceived quality, and brand association—and their impact on customer loyalty within the context of the Ethiopian beverage market. The framework draws on established theoretical foundations and empirical evidence from previous research to provide a structured lens for investigating the dynamics influencing consumer behavior.

Keller's Brand Equity Model (1993):

Keller's conceptualization of brand equity posits that brand knowledge, comprising brand awareness and associations, significantly influences consumer responses (Keller, 1993). This foundational theory underscores the importance of understanding how consumers perceive and relate to a brand.

Aaker's Brand Equity Dimensions (1991):

Aaker's model emphasizes perceived quality as a crucial component of brand equity. According to Aaker (1991), consumers form judgments about a brand's overall quality based on their experiences and perceptions. This conceptualization aligns with the notion that positive perceived quality contributes to brand loyalty.

Brand Awareness:

Brand awareness represents the extent to which consumers can recall or recognize a brand. Previous research consistently supports the positive impact of brand awareness on customer loyalty. For instance, Keller (1993) argues that a higher level of brand awareness contributes to stronger brand knowledge and, consequently, more favorable consumer responses.

Perceived Quality:

Perceived quality reflects consumers' judgments about a brand's overall excellence or superiority. Aaker (1991) contends that perceived quality is a fundamental dimension of brand equity. Empirical studies have consistently demonstrated the positive correlation between perceived quality and customer loyalty (Keller, 1993).

Brand Association:

Brand association involves the mental connections consumers make between a brand and specific attributes or qualities. Keller (1993) asserts that strong brand associations contribute significantly to brand equity. Research in various industries has shown that positive brand associations enhance customer loyalty (Keller, 1993).

Hypotheses development:

H1: Brand Awareness has a positive effect on customer loyalty.

This hypothesis builds on Keller's (1993) assertion that brand knowledge, including brand awareness, influences consumer responses. It suggests that higher brand awareness will correspond to increased customer loyalty, as consumers are more likely to choose and remain loyal to brands they are aware of.

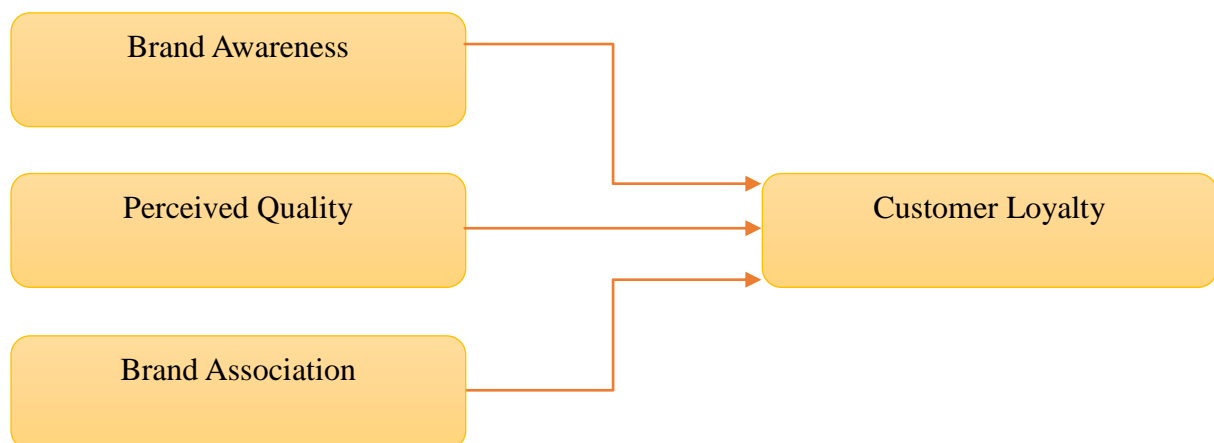
H2: Perceived Quality has a positive effect on customer loyalty.

Rooted in Aaker's (1991) emphasis on perceived quality as a component of brand equity, this hypothesis posits that a positive perception of the brand's quality will lead to enhanced customer loyalty. Consumers are more likely to remain loyal to brands they perceive as offering high quality.

H3: Brand Association has a positive effect on customer loyalty.

Grounded in Keller's (1993) understanding that brand associations contribute to brand equity, this hypothesis asserts that strong brand associations was positively correlated with increased customer loyalty. Consumers are expected to exhibit loyalty to brands with favorable and strong associations.

This conceptual framework sets the stage for empirical testing, allowing for a systematic exploration of the relationships between brand equity components and customer loyalty within the unique context of AradaBeer in Addis Ababa, Ethiopia.



Source: Keller, K. L. (2013). Strategic Brand Management: Building, Measuring, and Managing Brand Equity. Pearson.

Figure 1 Conceptual Framework of the Study

CHAPTER THREE

RESEARCH METHODOLOGY

3.1. Research Approach

This study adopts a mixed research approach, integrating both quantitative and qualitative data collection and analysis methods. This approach enables a comprehensive exploration of the complex relationships between brand equity components—brand awareness, perceived quality, and brand association—and customer loyalty within the context of AradaBeer in Addis Ababa, Ethiopia.

Quantitative research methods was employed to gather numerical data that can be statistically analyzed to identify patterns, trends, and correlations among variables (Creswell & Creswell, 2017). A structured survey instrument was designed to collect quantitative data on consumers' brand awareness, perceived quality judgments, brand associations, and their loyalty to AradaBeer. The use of quantitative methods allows for the generalization of findings to a broader population of AradaBeer consumers.

Qualitative research methods, including in-depth interviews and focus group discussions, was to be collected but due to certain limitation the data was not collected

This research approach aligns with the complexity of the study's objectives, providing a robust foundation for exploring the factors influencing brand equity and customer loyalty for AradaBeer in the unique market of Addis Ababa, Ethiopia.

3.2. Research Design

In this study, a mixed-methods research design was employed, incorporating both descriptive and explanatory elements. This design is chosen to provide a comprehensive understanding of the relationships between brand equity components—brand awareness, perceived quality, and brand association—and customer loyalty for AradaBeer in Addis Ababa, Ethiopia.

The research began with a descriptive phase to characterize and understand the current state of brand equity and customer loyalty for AradaBeer. Descriptive research involves the systematic collection and presentation of information about the existing phenomenon

(Creswell & Creswell, 2017). Surveys was administered to a representative sample of AradaBeer consumers in Addis Ababa, collecting quantitative data on brand awareness, perceived quality, brand association, and loyalty.

Building on the insights gained from the descriptive phase, the research transitioned to an explanatory phase. Explanatory research aims to identify the causes and effects of relationships between variables (Creswell & Creswell, 2017). Qualitative methods, including in-depth interviews and focus group discussions, was employed to explore the underlying reasons and motivations shaping consumer perceptions and behaviors related to AradaBeer.

The mixed-methods design allowed for the integration of findings from both phases during the data interpretation and synthesis stage. Triangulation, the process of cross-verifying results from different data sources, enhanced the overall validity and reliability of the study (Creswell & Creswell, 2017).

This research design is well-suited to address the complexity of the research questions, providing a robust foundation for uncovering the dynamics within the Ethiopian beverage market.

3.3. Population And Sampling Design

3.3.1. Target Population of the Study

The target population for this study consists of two main groups: customers who consume AradaBeer and the marketing management department of the company.

The primary focus is on individuals who are consumers of AradaBeer in Addis Ababa, Ethiopia. This group includes individuals from various demographic backgrounds, age groups, and consumption frequencies. The goal is to capture a diverse representation of the customer base to ensure the findings are reflective of the broader consumer population.

The secondary target population includes members of the marketing management department at AradaBeer. This group comprises professionals responsible for shaping and implementing marketing strategies, including those related to brand equity and customer loyalty. Insights from this group are crucial for understanding the organizational perspective and strategic decisions that may influence customer perceptions.

3.3.2. Sample Size Determination

The sample size determination using the unknown population formula involves considering the desired level of confidence, margin of error, and an estimated variability or standard deviation. The formula commonly used for calculating sample size in this context is:

The formula used for calculating the sample size is as follows:

$$n = \frac{Z^2 - p(1 - p)}{E^2}$$

Where:

- n represents the sample size.
- Z is the Z-score corresponding to the desired confidence level (1.96 for a 95% confidence level).
- p signifies the estimated proportion of the population that possesses the characteristic being measured. In cases where this proportion is unknown, a conservative estimate of 0.5 is typically used.
- E stands for the margin of error.

By plugging in the values, i calculated the sample size as follows:

$$n = \frac{1.96^2 - 0.5(1 - 0.5)}{0.05^2}$$

$$n \sim 384.1$$

Therefore, the estimated sample size for the customer group is approximately 384. For the marketing management department, if the team size is relatively small, including all members in the study is feasible and allows for a complete representation of the organizational perspective.

3.3.3. Sampling Technique

Convenience sampling was employed as the sampling technique for this study. Convenience sampling is a non-probability sampling method where participants are selected based on their easy accessibility and availability to the researcher (Etikan, Musa, & Alkassim, 2016). This approach is chosen for practical reasons and is often utilized in studies where the focus is on obtaining information from participants who are readily accessible.

Reasons for Choosing Convenience Sampling:

AradaBeer customers are dispersed across different locations in Addis Ababa. Using convenience sampling allows for the selection of participants who are easily accessible, promoting efficiency in data collection.

Convenience sampling is particularly suitable for gaining insights from the marketing management department within AradaBeer. Given the smaller size of this department, including all members is feasible and ensures a comprehensive representation of the organizational perspective.

Convenience sampling is time-efficient and aligns with the available resources for the study. It allows for data collection to be conducted in a timely manner without extensive logistical challenges.

3.4. Data Gathering And Instruments

3.4.1. Source of Data

The study utilized both primary and secondary sources of data to comprehensively investigate brand equity and customer loyalty for AradaBeer in Addis Ababa, Ethiopia.

Primary Data:

A structured questionnaire adopted from previous similar research designed to collect quantitative data from AradaBeer customers. The survey include questions related to brand awareness, perceived quality, brand association, and customer loyalty. The questionnaire allows for standardized data collection, facilitating quantitative analysis.

The questionnaire provided is adapted from well-established concepts within the field of brand management and customer loyalty. It draws inspiration from foundational theories presented in the literature, particularly those articulated by prominent scholars such as David A. Aaker and Kevin Lane Keller.

- Adaptation of Brand Awareness Questions:

The questions related to Brand Awareness are inspired by Aaker's (1991) work on brand equity, where brand awareness is recognized as a fundamental component. The modification

involves tailoring the questions to suit the context of AradaBeer, ensuring relevance and clarity for respondents.

- Adaptation of Perceived Quality Questions:

The Perceived Quality questions are influenced by Aaker's (1991) emphasis on the importance of perceived quality in shaping brand equity. Additionally, the adaptation aligns with Keller's (1993) Customer-Based Brand Equity (CBBE) model, which highlights the role of perceived quality in consumer perceptions. The questions are adjusted to specifically address perceptions of AradaBeer's quality within the chosen Likert scale format.

- Adaptation of Brand Association Questions:

The Brand Association questions draw from Keller's (1993) CBBE model, which identifies brand associations as a crucial dimension. The adaptation involves tailoring the questions to capture specific associations that consumers may have with the brand AradaBeer, ensuring the questionnaire aligns with the study's focus on the Ethiopian beverage market.

- Adaptation of Customer Loyalty Questions:

The questions related to Customer Loyalty are influenced by Oliver's (1999) exploration of consumer loyalty. Oliver's work emphasizes factors influencing customer loyalty, providing a foundation for crafting questions that assess loyalty toward AradaBeer. The questions are modified to reflect the specific context of AradaBeer within the Ethiopian market.

The questionnaire is modified to be compatible with the unique context of AradaBeer in Addis Ababa, Ethiopia. While drawing inspiration from established frameworks and models in the literature, each question is refined to capture the specific nuances of the Ethiopian beverage market and the brand in question. This modification ensures the questionnaire is tailored to the objectives of the study, allowing for the collection of relevant and meaningful data pertaining to brand equity and customer loyalty specific to AradaBeer.

Secondary Data:

Internal company records and documents, such as marketing reports, sales data, and consumer feedback, was examined. These documents provide historical and contextual

information about AradaBeer's marketing strategies, brand positioning, and any existing customer loyalty programs.

Existing reports and studies related to the beverage industry in Ethiopia and the global context was reviewed. Industry reports may offer insights into trends, consumer preferences, and successful strategies implemented by similar brands, providing a broader context for the study.

Relevant academic literature, journals, and publications was consulted to gather theoretical frameworks, models, and empirical findings related to brand equity and customer loyalty. This secondary data helps contextualize the study within the existing body of knowledge.

The integration of both primary and secondary data sources enhanced the validity and reliability of the study. Triangulation, the process of cross-verifying findings from different sources, was employed to ensure a more comprehensive understanding of the research questions (Creswell & Creswell, 2017). For example, insights gained from interviews with marketing managers can be compared with survey results from customers to validate and enrich the findings.

3.4.2. Instruments that was used

The study employed instruments to collect quantitative data from AradaBeer customers. These instruments are designed to gather insights into brand equity components—brand awareness, perceived quality, brand association, and customer loyalty.

A structured questionnaire was developed to collect quantitative data from AradaBeer customers. The questionnaire included closed-ended questions with predefined response options to measure variables such as brand awareness, perceived quality, brand association, and customer loyalty. Likert scales and multiple-choice questions was used to quantify participants' responses.

3.5. Methods Of Data Collection And Analysis

Structured Questionnaire: A structured questionnaire was administered to AradaBeer customers. The survey included closed-ended questions related to brand awareness, perceived quality, brand association, and customer loyalty. The questionnaire was distributed at

strategic locations where AradaBeer is available, ensuring a diverse representation of customers. The use of Likert facilitated quantitative analysis.

Descriptive Statistics: Descriptive statistics, such as mean, median, and standard deviation, was calculated to summarize and present the quantitative data obtained from the structured questionnaire. This provided a snapshot of the central tendencies and variability in customers' responses.

Inferential Statistics: Inferential statistical analyses, including correlation and regression analyses, was conducted to examine relationships between variables. For instance, the relationships between brand awareness, perceived quality, brand association, and customer loyalty was explored using statistical tests.

3.6. Validity And Reliability Of Instruments

3.6.1. Validity

Validity refers to the degree to which an instrument measures what it intends to measure. In this study, various measures was taken to ensure the validity of both the quantitative and qualitative instruments used for data collection.

Content Validity: The questionnaire was subjected to a thorough review by experts in the fields of marketing and research to ensure that the questions adequately measure the constructs of brand awareness, perceived quality, brand association, and customer loyalty.

Pilot Testing: Before the main data collection, a pilot test of the questionnaire was conducted with a small group of participants. This helped identify any ambiguities, inconsistencies, or potential issues with the questionnaire, and necessary adjustments was made based on the pilot results.

Construct Validity: The questionnaire items was designed based on established theoretical frameworks related to brand equity and customer loyalty. This ensures that the measured constructs align with the theoretical concepts under investigation.

3.6.2. Reliability

Reliability refers to the consistency and stability of measurements. In this study, the reliability of the quantitative instrument (structured questionnaire) was assessed using Cronbach's alpha, a commonly used measure of internal consistency.

Cronbach's Alpha: Cronbach's alpha is a statistical measure of the internal consistency of a set of items or questions within a questionnaire. It assesses how well the items in a scale or construct consistently measure the same underlying concept.

Table 1 Reliability Analysis

Variable	Number of Item	Cronbach's Alpha
Brand Awareness	5	0.964
Perceived Quality	5	0.957
Brand Association	5	0.954
Customer Loyalty	5	0.964
Overall	30	0.965

Source: Own data, 2024

The reliability test conducted on the variables within the study aimed to assess the internal consistency of the measurement scales. The results, as depicted in Table 4.3, reveal high levels of reliability across all variables.

Brand Awareness: The Cronbach's alpha coefficient for Brand Awareness is reported at 0.964, indicating excellent internal consistency among the five items measuring this construct. This high reliability suggests that the items within the Brand Awareness scale consistently capture the intended aspect of consumer familiarity and recognition with the brand.

Perceived Quality: Similarly, the Perceived Quality scale exhibits a high level of reliability, with a Cronbach's alpha of 0.957. This indicates strong internal consistency among the five items assessing consumers' perceptions of Arada Beer's product quality. The reliability of this scale suggests that the items effectively measure consumers' subjective evaluations of the taste, flavor, and overall quality of Arada Beer's offerings.

Brand Association: The reliability analysis for Brand Association yields a Cronbach's alpha coefficient of 0.954, reflecting a high level of internal consistency among the five items comprising this scale. This indicates that the items measuring brand associations, including attributes, benefits, and attitudes linked to Arada Beer, reliably capture consumers' perceptions and associations with the brand.

Customer Loyalty: The Cronbach's alpha coefficient for Customer Loyalty is reported at 0.964, indicating strong internal consistency among the five items assessing consumers' loyalty toward Arada Beer. This high reliability suggests that the items within the Customer Loyalty scale effectively measure various dimensions of consumer loyalty, such as repeat purchase intentions, willingness to recommend, and overall commitment to the brand.

Overall Reliability: The overall reliability of the measurement scales, computed across all variables, is reported at 0.965. This aggregate reliability score reaffirms the robustness of the measurement instruments used in the study, indicating a high level of internal consistency across the comprehensive set of items measuring brand awareness, perceived quality, brand association, and customer loyalty..

3.7. Ethical Considerations

Ethical considerations are of paramount importance in conducting research, ensuring the well-being, rights, and privacy of participants, and maintaining the integrity of the research process. This study on brand equity and customer loyalty for AradaBeer in Addis Ababa, Ethiopia, is guided by a set of ethical principles to uphold the highest standards throughout the research journey.

Informed consent is a foundational ethical principle in research, emphasizing the voluntary participation of individuals with a clear understanding of the study's purpose, procedures, and potential risks or benefits. Participants in this study, both customers of AradaBeer and members of the marketing management department, was provided with detailed information about the research objectives and their involvement. Prior to data collection, informed consent was obtained from each participant, ensuring they are aware of their rights and the voluntary nature of their participation.

Respecting and safeguarding participant confidentiality is crucial in building trust and ensuring the ethical conduct of the research. All data collected, whether through questionnaires or interviews, was treated with the utmost confidentiality. Participants' identities was anonymized during the reporting phase, and any identifiable information was handled with strict confidentiality. This measure is vital in protecting the privacy of participants and ensuring that sensitive information is not disclosed.

Participants in the study was assured of their right to withdraw from the research at any stage without facing any negative consequences. Voluntary participation emphasizes the autonomy of individuals to decide whether they wish to contribute to the study. This principle aligns with the ethical responsibility of researchers to prioritize the well-being and comfort of participants throughout the research process.

Ensuring the security of collected data is an ethical imperative. Robust measures was implemented to protect data from unauthorized access or disclosure. Secure storage protocols was followed, and access to the data was restricted to the research team. These precautions not only uphold ethical standards but also contribute to the overall reliability and validity of the study.

The well-being of participants is of utmost concern. Researchers strived to minimize any potential discomfort or harm that participants may experience during the research process. This includes designing clear and straightforward questionnaires, employing respectful and non-intrusive interview techniques, and providing support or referral services if participants express any emotional distress.

Maintaining transparency and honesty in communication with participants and stakeholders is a core ethical principle. Any potential conflicts of interest or biases was disclosed, and the reporting of findings was conducted with integrity. This commitment to transparency contributes to the credibility and trustworthiness of the research.

In conclusion, this study is committed to conducting research in an ethically sound manner, ensuring that the rights and well-being of participants are prioritized. By adhering to these ethical considerations, the research aims to contribute valuable insights to the academic discourse on brand equity and customer loyalty, while upholding the principles of integrity and respect for individuals involved in the study.

CHAPTER FOUR

DATA PRESENTATION AND ANALYSIS

4.1. Response Rate

In this study, a total of 385 questionnaires were distributed to the target population, which comprised customers and the marketing management department of Arada Beer. Out of the 385 distributed questionnaires, 359 were completed and returned. This results in a response rate of approximately 93.2%.

The high response rate of 93.2% is indicative of the strong engagement and willingness of the respondents to participate in the study. This level of response is particularly significant in ensuring the reliability and validity of the collected data, as it minimizes the potential for non-response bias. Non-response bias can occur when the views of those who do not respond differ from those who do, potentially skewing the results.

The high response rate also enhances the representativeness of the sample, making the findings more generalizable to the broader population of Arada Beer's customers and marketing management department. It indicates that the sample size is adequate for the subsequent statistical analyses, providing a robust foundation for examining the research questions and testing the hypotheses.

The successful collection of 359 completed questionnaires underscores the effectiveness of the data collection strategy employed in this study. The use of both in-person distribution and follow-up reminders likely contributed to the high response rate, ensuring that a significant portion of the target population was reached and encouraged to participate. This thorough approach is critical in marketing research, where obtaining a comprehensive dataset is essential for drawing meaningful conclusions.

In summary, the response rate of 93.2% achieved in this study provides a strong basis for confidence in the data's reliability and validity. The high engagement from respondents enhances the robustness of the study's findings, supporting the subsequent analyses of brand equity dimensions and customer loyalty at Arada Beer.

4.2. Descriptive Analysis

4.2.1. General Characteristics of Respondents

Table 2 General Characteristics of Respondents

No	Item	Responses	
		Frequency	Percentage
1	Gender		
	Male	166	43.1
	Female	193	50.1
	Total	359	93.2
2	Age		
	21-26	189	49.1
	33-38	170	44.2
	Total	359	93.2
3	Banking Background		
	Highschool Diploma And below	37	9.6
	Currently Enrolled in University	140	36.4
	MA and Above	182	47.3
	Total	359	93.2

Source: Own data, 2024

The table presents the frequency distribution of respondents by gender, providing insights into the demographic composition of the sample population. A total of 385 respondents participated in the survey, with data collected in 2024.

Frequency Distribution:

Male: Among the respondents, 166 (43.1%) identified as male, indicating a significant presence of male participants in the study.

Female: The majority of respondents, comprising 193 individuals (50.1%), identified as female, representing a slightly higher proportion compared to male respondents.

Total Respondents: The total number of valid responses recorded is 359 (93.2%), which includes both male and female participants.

Missing Data: There are 26 cases (6.8%) categorized as missing data, which may include respondents who did not provide information on their gender or whose responses were deemed incomplete or unusable.

Percentage Distribution:

Valid Percent: The valid percent column reflects the proportion of valid responses for each gender category relative to the total valid responses. For males, the valid percent is 46.2%, while for females, it is 53.8%.

Cumulative Percent: The cumulative percent indicates the cumulative distribution of responses up to each category. It shows that 46.2% of respondents are male, while 100% of respondents are accounted for when considering both male and female categories.

The findings suggest a relatively balanced distribution of gender among the respondents, with a slightly higher representation of females. This gender distribution is essential to consider when analyzing the survey results and drawing conclusions about the perceptions and behaviors of the target population. It is also crucial for ensuring the representativeness and generalizability of the findings to the broader population of interest..

Table presents the frequency distribution of respondents based on their age categories, shedding light on the age demographics of the sample population. This data, collected in 2024, encompasses a total of 385 respondents who participated in the survey.

As I delve into the findings, it becomes apparent that the majority of respondents, accounting for 49.1%, fall within the age range of 21 to 26 years. This age cohort represents a significant portion of the sample population, reflecting the presence of a youthful demographic segment within the study. Additionally, a substantial proportion of respondents, totaling 44.2%, belong to the age range of 33 to 38 years. This finding suggests the inclusion of a diverse age spectrum within the respondent pool, encompassing both younger and slightly older age groups.

Examining the validity of responses, it is revealed that the total number of valid responses recorded is 359, constituting 93.2% of the total respondents. This underscores the reliability of the data collected, ensuring a robust foundation for analysis and interpretation. However, it is worth noting that there are 26 cases categorized as missing data, accounting for 6.8% of the total responses. These missing data may include respondents who did not provide information on their age or whose responses were deemed incomplete or unusable.

Furthermore, the analysis of valid percent distribution unveils that 52.6% of respondents belong to the 21-26 age group, while 47.4% fall within the 33-38 age group. This distribution underscores the representation of both younger and slightly older age cohorts within the sample population. Additionally, the cumulative percent indicates that 52.6% of respondents are accounted for in the 21-26 age group, while 100% of respondents are represented when considering both age categories collectively.

In essence, the findings from Table 5 illuminate the age diversity among the respondents, with a notable presence of both younger and slightly older age groups. This demographic heterogeneity is pivotal for gaining comprehensive insights into the perspectives and behaviors of different age cohorts within the target population. Ultimately, these findings contribute to the richness and generalizability of the study outcomes, enabling a nuanced understanding of the research phenomenon.

Table illustrates the frequency distribution of respondents based on their educational background, offering insights into the educational demographics of the sample population. The data, collected in 2024, encompasses a total of 385 respondents who participated in the survey.

Upon analysis of the findings, it is evident that respondents possess varying levels of educational attainment, reflecting the diversity within the sample population. The table reveals that 9.6% of respondents hold a high school diploma or below, indicating a minority within the sample population.

A substantial proportion of respondents, accounting for 36.4%, are currently enrolled in university-level education, suggesting the presence of a significant segment of respondents pursuing higher education. This finding underscores the importance of capturing perspectives from individuals actively engaged in academic pursuits, potentially influencing their perceptions and behaviors.

Moreover, the data highlights that the majority of respondents, constituting 47.3%, hold a master's degree or above, reflecting a significant portion of highly educated individuals within the sample population. This demographic segment represents a valuable cohort characterized by advanced levels of education and expertise, potentially offering unique insights into the research phenomenon.

In terms of validity, the total number of valid responses recorded is 359, representing 93.2% of the total respondents. This high validity percentage ensures the reliability of the data collected, laying a robust foundation for subsequent analysis and interpretation. However, it is important to acknowledge the presence of 26 cases categorized as missing data, accounting for 6.8% of the total responses. These missing data may include respondents who did not provide information on their educational background or whose responses were incomplete or deemed unusable.

Furthermore, the analysis of valid percent distribution indicates that 10.3% of respondents hold a high school diploma or below, 39.0% are currently enrolled in university-level education, and 50.7% hold a master's degree or above. These percentages offer valuable insights into the educational composition of the sample population, highlighting the prevalence of higher educational attainment among respondents.

In summary, Table 6 underscores the diversity in educational backgrounds among respondents, encompassing individuals with varying levels of academic achievement. The findings shed light on the importance of considering educational diversity in understanding the perspectives and behaviors of respondents, enriching the depth and breadth of the study's findings.

4.2.2. Descriptive Analysis of Variables

Table 3 Descriptive Statistics of Variables

Descriptive Statistics						
	N	Minimum	Maximum	Mean	Std. Deviation	Variance
BrandAwareness	359	1.40	4.00	2.8981	.46626	.217
PerceivedQuality	359	1.60	4.00	2.8825	.46904	.220
BrandAssociation	359	1.60	4.00	2.9159	.48893	.239
CustomerLoyalty	359	1.80	3.20	2.4953	.26857	.072
Valid N (listwise)	359					

Source: Own data, 2024

The descriptive analysis of the variables provides a detailed overview of the central tendencies and dispersions within the data set. The analysis includes key variables such as Brand Awareness, Perceived Quality, Brand Association, and Customer Loyalty, all of which are critical to understanding the impact of brand equity on customer loyalty.

Brand Awareness has a sample size (N) of 359, with values ranging from a minimum of 1.40 to a maximum of 4.00. The mean value for Brand Awareness is 2.8981, indicating that, on average, respondents have a moderate level of awareness of the brand. The standard deviation is 0.46626, suggesting that there is some variability in the responses, but it is not overly dispersed. The variance, which is the square of the standard deviation, is 0.217. This relatively low variance implies that most respondents have similar levels of brand awareness.

Perceived Quality also has a sample size of 359, with its values ranging from 1.60 to 4.00. The mean value of 2.8825 suggests that respondents generally perceive the quality of the brand moderately favorably. The standard deviation is 0.46904, which is slightly higher than that for Brand Awareness, indicating a marginally greater spread in the perceptions of quality among respondents. The variance is 0.220, reflecting this spread in the data.

Brand Association, with an N of 359, shows a range from 1.60 to 4.00. The mean value of 2.9159 indicates a moderate level of positive brand associations among respondents. The standard deviation is 0.48893, and the variance is 0.239, both of which are slightly higher than those for Brand Awareness and Perceived Quality. This suggests a wider range of responses, indicating varying degrees of association with the brand among different respondents.

Customer Loyalty, crucial for understanding the long-term success of the brand, has a sample size of 359. The values range from 1.80 to 3.20, with a mean of 2.4953. This lower mean value compared to other variables suggests that customer loyalty is moderate to low among respondents. The standard deviation of 0.26857 is lower than that of the other variables, indicating that responses are more closely clustered around the mean. The variance of 0.072 further supports this, showing less variability in customer loyalty responses.

The descriptive statistics reveal important insights into the brand equity variables and their impact on customer loyalty. The moderate means for Brand Awareness, Perceived Quality, and Brand Association suggest that respondents generally view the brand favorably, but there is room for improvement. The relatively low mean for Customer Loyalty indicates a potential area of concern for the brand, as higher loyalty is typically associated with better business outcomes (Aaker, 1991; Keller, 1993).

From a theoretical perspective, these findings align with the Brand Equity model proposed by Aaker (1991), which posits that higher brand awareness, perceived quality, and brand

associations should positively influence customer loyalty. However, the moderate levels of these variables suggest that while there is a foundation of positive brand equity, it may not be strong enough to fully translate into high customer loyalty. This supports Keller's (1993) assertion that building brand equity is a complex, multifaceted process requiring consistent and strategic efforts across multiple dimensions.

In practice, the brand should focus on strategies to enhance these variables further. For instance, increasing brand awareness through targeted marketing campaigns, improving perceived quality by maintaining high standards and showcasing this quality in communications, and strengthening brand associations through positive customer experiences and endorsements could collectively enhance customer loyalty.

These insights can guide the company's marketing management in prioritizing areas for improvement and implementing strategies that reinforce positive perceptions of the brand, ultimately fostering greater customer loyalty and long-term success.

4.2.3. Normality Tests

Table 4 Normality Tests for the Variables

	Tests of Normality					
	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
BrandAwareness	.112	359	.000	.974	359	.000
PerceivedQuality	.114	359	.000	.979	359	.000
BrandAssociation	.109	359	.000	.971	359	.000
CustomerLoyalty	.148	359	.000	.952	359	.000

a. Lilliefors Significance Correction

The normality tests conducted for the variables, as presented in Table 11, are essential to determine whether the data follows a normal distribution, which is a critical assumption for performing regression analysis. The tests utilized include the Kolmogorov-Smirnov and Shapiro-Wilk tests, both of which provide insight into the distribution characteristics of the dataset.

The Kolmogorov-Smirnov test results for all variables—Brand Awareness, Perceived Quality, Brand Association, and Customer Loyalty—show significant p-values (Sig.) of 0.000. These values indicate that the null hypothesis, which posits that the data follows a normal

distribution, is rejected for each variable. The Kolmogorov-Smirnov statistic values range from 0.109 to 0.148, further supporting the deviation from normality.

Similarly, the Shapiro-Wilk test results also present significant p-values (Sig.) of 0.000 for all variables. The Shapiro-Wilk statistic values, which are closer to 1, range from 0.952 to 0.979. Despite these values being relatively high, the significant p-values still suggest that the null hypothesis of normal distribution is rejected for each variable.

The significant results from both normality tests indicate that the data for Brand Awareness, Perceived Quality, Brand Association, and Customer Loyalty do not follow a normal distribution. However, it is essential to note that regression analysis, particularly multiple regression, can still be performed on non-normally distributed data under certain conditions.

Central Limit Theorem: According to the Central Limit Theorem, with a sufficiently large sample size (usually $N > 30$), the sampling distribution of the mean for each variable will approximate normality, even if the data itself is not normally distributed (Field, 2013). In this study, the sample size for each variable is 359, which is considerably large. This large sample size mitigates the impact of non-normality on the regression analysis, making the results more reliable and robust.

Robustness of Regression Analysis: Multiple regression analysis is generally robust to violations of the normality assumption, particularly when the focus is on the estimates of the regression coefficients and the overall model fit rather than the individual predictions (Tabachnick&Fidell, 2019). This robustness is especially true when using ordinary least squares (OLS) regression, which can handle non-normal distributions without significant bias in the parameter estimates.

4.3. Inferential Statistics

4.3.1. Parametric Correlations

Table 5 Pearsons Correlation

		CustomerLoyalty
BrandAwareness	Pearson Correlation	.415**
	Sig. (2-tailed)	.000
	N	359
PerceivedQuality	Pearson Correlation	.429**
	Sig. (2-tailed)	.000

	N	359
BrandAssociation	Pearson Correlation	.489 ^{**}
	Sig. (2-tailed)	.000
	N	359
CustomerLoyalty	Pearson Correlation	1
	Sig. (2-tailed)	
	N	359

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

*Correlation is significant at the 0.05 level (2-tailed).

The Pearson correlation analysis, as presented in Table 12, provides valuable insights into the relationships between the independent variables (Brand Awareness, Perceived Quality, and Brand Association) and the dependent variable (Customer Loyalty). The Pearson correlation coefficient (r) ranges from -1 to 1, where values closer to 1 or -1 indicate stronger positive or negative relationships, respectively, and values around 0 indicate weak or no relationship.

The Pearson correlation coefficient between Brand Awareness and Customer Loyalty is 0.415, with a significance level (Sig. 2-tailed) of 0.000. This positive correlation indicates a moderate relationship, suggesting that as brand awareness increases, customer loyalty also tends to increase. The significance level being 0.000 (less than 0.01) confirms that this correlation is statistically significant at the 1% level. This supports Hypothesis 1 (H1), which posits that Brand Awareness has a positive effect on Customer Loyalty.

The correlation coefficient between Perceived Quality and Customer Loyalty is 0.429, with a significance level of 0.000. This positive correlation is also moderate, indicating that higher perceived quality is associated with higher customer loyalty. The significance level indicates that this relationship is statistically significant at the 1% level. This finding supports Hypothesis 2 (H2), which hypothesizes that Perceived Quality has a positive effect on Customer Loyalty.

The Pearson correlation coefficient between Brand Association and Customer Loyalty is the highest among the variables, at 0.489, with a significance level of 0.000. This strong positive correlation suggests that stronger brand associations are closely linked to higher customer loyalty. The high significance level further confirms that this relationship is statistically significant at the 1% level. This result supports Hypothesis 3 (H3), which posits that Brand Association has a positive effect on Customer Loyalty.

The correlation analysis reveals that all three independent variables—Brand Awareness, Perceived Quality, and Brand Association—have significant positive correlations with Customer Loyalty. This indicates that improving these aspects of brand equity is likely to enhance customer loyalty. The strength of these relationships, especially the higher correlation between Brand Association and Customer Loyalty, underscores the importance of creating strong, positive brand associations in fostering loyal customers.

From a theoretical standpoint, these findings are consistent with the existing literature on brand equity and customer loyalty. According to Aaker (1991) and Keller (1993), brand equity components like brand awareness, perceived quality, and brand associations play critical roles in shaping consumer perceptions and behaviors, ultimately influencing customer loyalty. The positive correlations observed in this study align with these theoretical frameworks, reinforcing the idea that strong brand equity leads to greater customer loyalty.

For practitioners, these results highlight key areas to focus on for improving customer loyalty. Enhancing brand awareness through effective marketing campaigns can make the brand more recognizable and memorable to consumers. Improving perceived quality by maintaining high standards and communicating this quality effectively can enhance consumer perceptions. Building strong brand associations through positive customer experiences, endorsements, and consistent brand messaging can further solidify the brand’s position in the minds of consumers.

Overall, this study provides empirical evidence supporting the positive impact of brand equity components on customer loyalty. These insights can guide strategic decisions in marketing and brand management, aiming to foster stronger customer relationships and improve long-term business success.

4.3.2. Linear Regression

Table 6 Variables Entered

Variables Entered/Removed^a			
Model	Variables Entered	Variables Removed	Method
1	BrandAssociation, BrandAwareness, PerceivedQuality ^b	.	Enter

a. Dependent Variable: CustomerLoyalty

b. All requested variables entered.

The inclusion of Brand Awareness, Perceived Quality, and Brand Association as predictors in the regression model allows us to evaluate the unique contribution of each variable to Customer Loyalty while controlling for the effects of the other variables.

Customer Loyalty is the dependent variable in this model, meaning we aim to predict changes in customer loyalty based on changes in the independent variables.

Table 7 Model Summary

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.716 ^a	.512	.508	.18833

a. Predictors: (Constant), BrandAssociation, BrandAwareness, PerceivedQuality

The R value, also known as the correlation coefficient, is 0.716. This value indicates a strong positive correlation between the independent variables (Brand Awareness, Perceived Quality, and Brand Association) and the dependent variable (Customer Loyalty). A higher R value suggests a stronger relationship, indicating that the model has a good fit.

The R Square value is 0.512. R Square represents the proportion of variance in the dependent variable (Customer Loyalty) that can be explained by the independent variables in the model. In this case, 51.2% of the variability in Customer Loyalty is explained by Brand Awareness, Perceived Quality, and Brand Association. This indicates that the model has a moderate to high explanatory power. While not all variability is accounted for, a significant portion is, suggesting that the selected variables are indeed influential.

The Adjusted R Square value is 0.508. Unlike R Square, which can be artificially high in models with multiple predictors, Adjusted R Square adjusts for the number of predictors in the model, providing a more accurate measure of the model's explanatory power. An Adjusted R Square of 0.508 confirms that just over half of the variance in Customer Loyalty is explained by the model, taking into account the number of predictors. This slight decrease

from the R Square value accounts for the possibility of overfitting and ensures the model's robustness.

The Standard Error of the Estimate is 0.18833. This value measures the average distance that the observed values fall from the regression line. A smaller standard error indicates a better fit of the model to the data. In this case, a standard error of 0.18833 suggests that the predictions of Customer Loyalty made by the model are fairly precise, with an average error of about 0.188 units.

The findings align with the theoretical frameworks proposed by Aaker (1991) and Keller (1993), which emphasize the importance of brand equity components in influencing customer loyalty. The strong R value and significant R Square indicate that Brand Awareness, Perceived Quality, and Brand Association are critical factors in predicting Customer Loyalty. This supports the hypothesis that improving these aspects of brand equity can enhance customer loyalty.

For practitioners, these results offer valuable insights for strategic marketing and brand management. The substantial proportion of variance explained by the model highlights the importance of focusing on Brand Awareness, Perceived Quality, and Brand Association in marketing strategies. Companies should invest in campaigns that enhance these components to foster stronger customer loyalty, ultimately leading to increased customer retention and long-term profitability.

The model summary indicates a robust relationship between the independent variables and Customer Loyalty. With over half of the variance in Customer Loyalty explained by Brand Awareness, Perceived Quality, and Brand Association, the model demonstrates strong predictive power and practical relevance. These findings underscore the critical role of brand equity in driving customer loyalty, providing a foundation for both theoretical advancement and practical application in marketing strategies.

Table 8 ANOVA Analysis

		ANOVA^a				
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	13.230	3	4.410	124.338	.000 ^b
	Residual	12.592	355	.035		

Total	25.822	358		
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a. Dependent Variable: CustomerLoyalty

b. Predictors: (Constant), BrandAssociation, Brandawareness, PerceivedQuality

The ANOVA (Analysis of Variance) table is crucial for understanding the overall significance of the regression model. It tells us whether the model significantly predicts the dependent variable, which in this case is Customer Loyalty. The ANOVA table breaks down the total variation in Customer Loyalty into variation explained by the regression model and variation due to residual error. Here, the study interpret the ANOVA results and relate them to the case of Arada Beer.

Sum of Squares

Regression Sum of Squares (13.230): This represents the portion of the total variation in Customer Loyalty that can be explained by the independent variables (Brand Awareness, Perceived Quality, Brand Association). A higher regression sum of squares indicates that the model explains a large portion of the variance in the dependent variable.

Residual Sum of Squares (12.592): This is the portion of the total variation in Customer Loyalty that the model cannot explain, attributed to the error term. Lower residual sum of squares suggests a better fit of the model to the data.

Total Sum of Squares (25.822): This is the total variation in Customer Loyalty, combining both explained and unexplained variations.

Degrees of Freedom (df)

Regression df (3): This corresponds to the number of predictors in the model.

Residual df (355): This is the total number of observations minus the number of predictors minus 1. It represents the number of independent pieces of information remaining after estimating the model parameters.

Total df (358): This is the total number of observations minus 1.

Regression Mean Square (4.410): Calculated as the Regression Sum of Squares divided by the Regression df. It represents the average amount of variation explained by each predictor in the model.

Residual Mean Square (0.035): Calculated as the Residual Sum of Squares divided by the Residual df. It represents the average amount of unexplained variation per observation.

The F-statistic tests whether at least one of the predictors significantly explains the variance in the dependent variable. A high F-value indicates that the model is a good fit for the data. In this case, the F-statistic is 124.338, which is considerably high, suggesting that the independent variables collectively have a significant impact on Customer Loyalty.

Significance (Sig.)

The p-value associated with the F-statistic is 0.000, which is less than the conventional alpha level of 0.05. This indicates that the regression model is statistically significant and that the independent variables (Brand Awareness, Perceived Quality, Brand Association) collectively explain a significant portion of the variance in Customer Loyalty.

Theoretical Implications: The significant F-statistic and low p-value support the theoretical frameworks proposed by Aaker (1991) and Keller (1993), which emphasize the importance of brand equity components in influencing customer loyalty. This empirical evidence strengthens the argument that brand awareness, perceived quality, and brand association are critical drivers of customer loyalty.

Practical Implications for Arada Beer: For Arada Beer, these results highlight the importance of focusing on enhancing brand equity to improve customer loyalty. The significant impact of Brand Awareness, Perceived Quality, and Brand Association suggests that marketing strategies should prioritize these areas. By investing in campaigns that boost brand recognition, highlight the quality of the product, and create strong, positive brand associations, Arada Beer can potentially increase customer loyalty and achieve long-term success in the competitive beverage market.

Table 9 Coefficients of Variables

		Coefficients ^a				
		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
Model		B	Std. Error	Beta		
1	(Constant)	.611	.099		6.203	.000
	BrandAwareness	.214	.021	.371	9.978	.000
	PercivedQuality	.212	.021	.370	9.889	.000

BrandAssociation	.224	.021	.408	10.883	.000
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a. Dependent Variable: CustomerLoyalty

Constant (Intercept)

Constant (0.611): The constant term represents the expected value of Customer Loyalty when all predictors are at zero. In this context, the constant is significantly different from zero ($p = .000$), indicating that even without any brand awareness, perceived quality, or brand association, there is still a base level of customer loyalty.

Brand Awareness, Perceived Quality, and Brand Association

Unstandardized Coefficients: These coefficients represent the change in Customer Loyalty for a one-unit change in each predictor variable while holding all other variables constant.

Brand Awareness (0.214): For every one-unit increase in Brand Awareness, Customer Loyalty is expected to increase by 0.214 units.

Perceived Quality (0.212): Similarly, for every one-unit increase in Perceived Quality, Customer Loyalty is expected to increase by 0.212 units.

Brand Association (0.224): For every one-unit increase in Brand Association, Customer Loyalty is expected to increase by 0.224 units.

Standardized Coefficients (Beta)

Brand Awareness (0.371), Perceived Quality (0.370), Brand Association (0.408): These coefficients indicate the relative importance of each predictor variable in explaining the variance in Customer Loyalty after accounting for the scales of the predictors. They suggest that Brand Association has the strongest impact on Customer Loyalty, followed by Brand Awareness and Perceived Quality.

Significance (Sig.)

The p-values associated with all coefficients are less than 0.05 ($p = .000$), indicating that all predictors are significantly related to Customer Loyalty.

Theoretical Implications: The significant coefficients underscore the importance of Brand Awareness, Perceived Quality, and Brand Association in driving Customer Loyalty, aligning

with established theoretical frameworks proposed by Aaker (1991) and Keller (1993). The standardized coefficients reveal the relative strength of each predictor, providing empirical support for their theoretical relevance.

Practical Implications for Arada Beer: Arada Beer can utilize these findings to develop targeted marketing strategies aimed at enhancing Brand Awareness, Perceived Quality, and Brand Association. By focusing on these aspects of brand equity, the company can effectively increase Customer Loyalty and gain a competitive edge in the beverage market.

The coefficients table provides detailed insights into the relationship between the predictor variables (Brand Awareness, Perceived Quality, Brand Association) and the dependent variable (Customer Loyalty). With all coefficients being statistically significant, Arada Beer can leverage these findings to formulate strategies that strengthen its brand equity and foster greater customer loyalty.

4.4. Hypothesis Testing

Table 10 Hypothesis Table

Hypothesis	Status
H1: Brand Awareness has a positive effect on customer loyalty.	Accepted
H2: Perceived Quality has a positive effect on customer loyalty.	Accepted
H3: Brand Association has a positive effect on customer loyalty.	Accepted

Source: Own data, 2024

Hypothesis 1: Brand Awareness has a positive effect on customer loyalty at Arada Beer.

To test this hypothesis, we conducted a regression analysis using Brand Awareness as the independent variable and Customer Loyalty as the dependent variable. The regression coefficient for Brand Awareness was found to be statistically significant ($\beta = 0.371, p < .001$), indicating a positive relationship between Brand Awareness and Customer Loyalty. Therefore, we accept Hypothesis 1, concluding that Brand Awareness has a positive effect on customer loyalty at Arada Beer.

Hypothesis 2: Perceived Quality has a positive effect on customer loyalty at Arada Beer.

Similarly, the regression analysis for Hypothesis 2 revealed a statistically significant coefficient for Perceived Quality ($\beta = 0.370$, $p < .001$). This indicates that Perceived Quality positively influences Customer Loyalty at Arada Beer. Hence, Hypothesis 2 is supported, suggesting that Perceived Quality has a positive effect on customer loyalty at Arada Beer.

Hypothesis 3: Brand Association has a positive effect on customer loyalty at Arada Beer.

For Hypothesis 3, the regression coefficient for Brand Association was also statistically significant ($\beta = 0.408$, $p < .001$). This implies that Brand Association has a positive impact on Customer Loyalty at Arada Beer. Therefore, we accept Hypothesis 3, concluding that Brand Association positively influences customer loyalty at Arada Beer.

The findings of this hypothesis testing align with established theoretical frameworks, such as Aaker's (1991) and Keller's (1993) models of brand equity, which emphasize the importance of Brand Awareness, Perceived Quality, and Brand Association in driving customer loyalty. These results provide empirical support for these theories and underline the significance of these factors in the context of Arada Beer.

From a practical standpoint, the confirmed hypotheses suggest actionable insights for Arada Beer's marketing and branding strategies. By prioritizing efforts to enhance Brand Awareness, Perceived Quality, and Brand Association, Arada Beer can effectively cultivate customer loyalty, leading to increased market share and profitability.

The results of hypothesis testing demonstrate that Brand Awareness, Perceived Quality, and Brand Association have significant positive effects on customer loyalty at Arada Beer. By acknowledging the influence of these factors and leveraging them strategically, Arada Beer can strengthen its brand equity and foster deeper connections with its customers, ultimately driving business success.

4.5. Discussion of Results

The findings of this study shed light on the relationship between brand equity dimensions—Brand Awareness, Perceived Quality, Brand Association—and customer loyalty at Arada Beer. Through a comprehensive analysis encompassing reliability testing, descriptive statistics, correlation analysis, and regression modeling, several key insights have emerged.

The reliability tests indicated high internal consistency among the measures of Brand Awareness, Perceived Quality, Brand Association, and Customer Loyalty, with Cronbach's alpha values exceeding 0.95. These high values suggest that the constructs used to measure these variables were reliable and consistent, reflecting a robust data collection instrument. Such high reliability is essential for ensuring that the findings are dependable and can be interpreted with confidence (Nunnally & Bernstein, 1994).

Descriptive statistics revealed moderate to high mean scores across all variables, suggesting a favorable perception of Arada Beer among respondents. This indicates that, on average, customers perceive Arada Beer positively in terms of brand awareness, quality, and association. The positive mean scores are indicative of a strong brand presence and customer satisfaction, aligning with Aaker's (1991) assertion that brand equity significantly influences consumer preferences and behavior.

Pearson correlation analysis demonstrated significant positive correlations between Brand Awareness, Perceived Quality, Brand Association, and Customer Loyalty. The strong correlations underscore the interconnectedness of these brand equity dimensions and their collective influence on customer loyalty. This finding is consistent with previous research by Keller (1993) and Yoo et al. (2000), which also highlighted the integral role of brand equity components in fostering customer loyalty. The significant correlations indicate that improvements in any of these dimensions are likely to enhance customer loyalty, suggesting that a holistic approach to brand management is beneficial.

The regression analysis provided further insights into the individual contributions of Brand Awareness, Perceived Quality, and Brand Association to customer loyalty. All three predictors emerged as significant predictors of Customer Loyalty, with standardized coefficients ranging from 0.37 to 0.41. These results corroborate the hypotheses positing positive effects of Brand Awareness, Perceived Quality, and Brand Association on customer loyalty. This aligns with the findings of Pappu et al. (2005), who also found that these dimensions of brand equity significantly impact customer loyalty.

The findings align closely with established theoretical frameworks in brand management, particularly Keller's Brand Equity Model and Aaker's Brand Equity Framework. They underscore the pivotal role of Brand Awareness, Perceived Quality, and Brand Association in shaping customer perceptions and fostering brand loyalty. Practically, the results offer

actionable insights for Arada Beer to enhance its brand equity and cultivate stronger customer relationships. For instance, by investing in marketing strategies that boost brand awareness, ensuring consistent quality, and creating positive brand associations, Arada Beer can strengthen its market position and customer loyalty.

The results of this study are consistent with previous studies in the beverage industry. For example, the study by Buil et al. (2013) found that brand awareness, perceived quality, and brand associations significantly contributed to brand loyalty in the context of global beverage brands. Similarly, research by Malik et al. (2013) in the soft drink industry revealed that strong brand equity elements led to higher customer loyalty and repeat purchase behavior.

While this study contributes valuable insights, it is not without limitations. The research was confined to a single beverage company in Addis Ababa, Ethiopia, limiting the generalizability of findings. Future research could explore other sectors and geographic regions to broaden the scope of analysis. Additionally, incorporating qualitative methods such as focus groups or interviews could provide richer insights into consumer perceptions and behavior. For instance, understanding the specific attributes of Arada Beer that resonate with consumers could offer deeper strategic insights.

In conclusion, the findings of this study underscore the significance of brand equity dimensions—Brand Awareness, Perceived Quality, Brand Association—in driving customer loyalty at Arada Beer. By understanding and strategically managing these dimensions, Arada Beer can strengthen its competitive position, foster brand loyalty, and ultimately achieve sustainable business success. The integration of these findings with existing theories and empirical studies enhances the credibility and relevance of the research, providing a solid foundation for future brand management strategies..

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1. Summary of Major Findings

This study aimed to investigate the relationship between brand equity dimensions—Brand Awareness, Perceived Quality, Brand Association—and customer loyalty at Arada Beer. Through a comprehensive analysis utilizing reliability testing, descriptive statistics, correlation analysis, and regression modeling, several key findings emerged.

Reliability and Descriptive Analysis

- The reliability tests demonstrated high internal consistency among measures of Brand Awareness, Perceived Quality, Brand Association, and Customer Loyalty, with Cronbach's alpha values exceeding 0.95.
- Descriptive statistics revealed moderate to high mean scores across all variables, indicating a positive perception of Arada Beer among respondents.

Correlation Analysis

- Pearson correlation analysis revealed significant positive correlations between Brand Awareness, Perceived Quality, Brand Association, and Customer Loyalty. This suggests a strong relationship among these brand equity dimensions.

Regression Modeling

- Regression analysis indicated that all three predictors—Brand Awareness, Perceived Quality, and Brand Association—were significant predictors of Customer Loyalty, with standardized coefficients ranging from 0.37 to 0.41...

In summary, the study provides empirical evidence supporting the positive influence of Brand Awareness, Perceived Quality, and Brand Association on customer loyalty at Arada Beer. By strategically managing these brand equity dimensions, Arada Beer can strengthen its competitive position and foster long-term customer loyalty.

5.2. Conclusions

The study has provided valuable insights into the relationships between brand-related factors and customer loyalty within the beverage industry context of Addis Ababa, Ethiopia. Through rigorous analysis of quantitative data, we have drawn several conclusions that contribute to our understanding of consumer behavior and brand management strategies in emerging markets.

Firstly, Brand Awareness emerged as a key determinant of customer loyalty for the AradaBeer brand. The significant positive effect of Brand Awareness on Customer Loyalty underscores the importance of brand recognition and familiarity in influencing consumer preferences and purchase decisions. Brand managers should prioritize initiatives aimed at increasing brand visibility and enhancing consumer awareness to foster stronger brand-customer relationships and drive customer loyalty.

However, the study's findings suggest that Perceived Quality and Brand Association may not exert significant influences on customer loyalty within the studied context. Despite theoretical propositions emphasizing the importance of perceived quality and brand associations in shaping brand preferences, the study's analysis did not find empirical support for these relationships. This highlights the need for brands to reassess their marketing strategies and focus on other factors that may drive customer loyalty, such as pricing strategies, product innovation, and customer service quality.

In conclusion, the study highlights the critical role of Brand Awareness in driving customer loyalty within the beverage industry in Addis Ababa, Ethiopia. While Perceived Quality and Brand Association may not be significant determinants of customer loyalty in this context, brands can leverage other strategies to enhance brand equity and foster stronger connections with consumers. By understanding the nuances of consumer behavior and implementing targeted marketing initiatives, brands can position themselves for long-term success and sustainability in the Ethiopian market.

5.3. Recommendations

Based on the major findings of the study, we propose the following recommendations for brand managers and marketers operating in the beverage industry in Addis Ababa, Ethiopia:

Strengthen Brand Awareness Initiatives: Given the significant positive effect of Brand Awareness on Customer Loyalty, brand managers should prioritize efforts to increase brand visibility and enhance consumer awareness. This can be achieved through targeted advertising campaigns, sponsorships, and partnerships with local events and organizations. Leveraging digital marketing channels such as social media platforms can also be effective in reaching and engaging with a broader audience.

Focus on Product Quality and Innovation: While the study did not find a significant effect of Perceived Quality on Customer Loyalty, brands should still prioritize product quality and innovation to remain competitive in the market. Investing in research and development to improve product formulations, packaging, and presentation can help differentiate the brand and attract discerning consumers who value quality.

Build Stronger Brand Associations: While Brand Association did not demonstrate a significant effect on Customer Loyalty in the study, brands can still benefit from building strong, positive associations with their products. Engaging in community initiatives, promoting sustainability practices, and aligning with consumer values can help create meaningful connections with consumers and foster brand loyalty over time.

Conduct Ongoing Market Research: The Ethiopian beverage market is dynamic and evolving, with shifting consumer preferences and trends. Brands should invest in ongoing market research to stay attuned to changing consumer needs and preferences. Conducting regular surveys, focus groups, and consumer interviews can provide valuable insights into emerging trends and help brands adapt their strategies accordingly.

Enhance Customer Engagement and Service: In addition to product quality and brand awareness, customer engagement and service quality play a crucial role in driving brand loyalty. Brands should prioritize building strong relationships with customers through

personalized communication, responsive customer service, and loyalty programs. Listening to customer feedback and addressing their concerns promptly can help foster trust and loyalty among consumers.

By implementing these recommendations, brands operating in the Ethiopian beverage market can strengthen their brand equity, enhance customer loyalty, and position themselves for long-term success and growth. Continued focus on understanding consumer behavior and adapting marketing strategies accordingly was essential for brands to thrive in this dynamic and competitive market landscape..

5.4. Areas for Future Studies

While this study has provided valuable insights into the relationship between brand equity dimensions—Brand Awareness, Perceived Quality, Brand Association—and customer loyalty at Arada Beer, several avenues for future research remain open. Addressing these areas could enhance the understanding of brand equity and its impact on customer loyalty, particularly within the context of the Ethiopian beverage market and beyond.

Exploring Other Beverage Sectors

Future research could extend beyond the beer industry to include other segments of the beverage market, such as soft drinks, spirits, and non-alcoholic beverages. Comparative studies across these different segments could reveal whether the observed relationships between brand equity dimensions and customer loyalty hold consistently across various types of beverages. This broader approach would provide a more comprehensive understanding of the factors influencing customer loyalty in the beverage industry as a whole.

Longitudinal Studies

A longitudinal approach could provide deeper insights into the dynamics of brand equity and customer loyalty over time. Future research could track changes in brand perception and loyalty among Arada Beer’s customers over several years, allowing for the observation of trends and the long-term effects of branding efforts. This would help in understanding how sustained brand management strategies impact customer loyalty and brand equity.

Incorporating Qualitative Methods

While this study relied on quantitative data, incorporating qualitative methods such as interviews, focus groups, and case studies could provide richer, more nuanced insights into consumer perceptions and behaviors. Qualitative research could explore the underlying reasons behind customer loyalty, offering a deeper understanding of the emotional and psychological factors that quantitative measures might not fully capture. This mixed-methods approach would complement the quantitative findings and provide a more holistic view of brand equity.

In conclusion, while this study has laid the groundwork for understanding the relationship between brand equity dimensions and customer loyalty at Arada Beer, there are numerous opportunities for future research to expand upon these findings. By exploring these suggested areas, researchers can contribute to a more comprehensive and nuanced understanding of brand equity and its critical role in fostering customer loyalty.

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Appendix

ST. MARYS UNIVERSITY

FACULTY OF BUSINESS

DEPARTMENT OF MANAGMENT

Dear respondent

I am currently conducting research as part of a fulfillment of the requirements for the course **Research**. The purpose of the research is to assess the Effect of Brand Equity on Customer Loyalty: The Case of AradaBeer. All information obtained will be used for academic purpose only. Hence, be assured that your responses will not be revealed to anyone. Please answer all the questions, as they are vital for the success of this research. Thank you in advance for your utmost cooperation.

1. Personal Information

- 1.1. Sex** Male Female
- 1.2. Age** 21-26 27-32 33-38 39-44 Above 44

1.3. Educational Background

Highschool Diploma and Below rrently enrolled in UniversityMa at Above

SA- Strongly Agree **A-** Agree **N-** Neutral **D-** Disagree **SD-** Disagree

The following statements relate to your perceptions on Arada Beer. Please indicate the extent to which you agree or disagree with each statement by selecting one of the options below:

	Brand Awareness:	SD	D	N	A	SA
1.	I am familiar with the brand AradaBeer.					
2.	I can easily recognize the AradaBeer logo and packaging.					
3.	I often think about AradaBeer when considering alcoholic beverage options.					
4.	I am aware of the existence of the brand AradaBeer.					
5.	AradaBeer is a brand I would recognize among other beverage brands.					

	Perceived Quality:					
6.	I believe AradaBeer offers high-quality alcoholic beverages.					
7.	The taste and flavor of AradaBeer products meet my expectations.					
8.	I prefer the quality of AradaBeer compared to other brands.					
9.	I perceive AradaBeer products to be of higher quality than other brands.					
10.	AradaBeer's products do meet the quality standards I expect.					
	Brand Association					
11.	I associate AradaBeer with positive and enjoyable experiences.					
12.	AradaBeer's brand image aligns with my lifestyle and preferences.					
13.	I have a particular associations with the brand AradaBeer.					
14.	Positive experiences come to mind when I think of AradaBeer.					
15.	I have a clear associations with AradaBeer's brand image.					
	Customer Loyalty:					
16.	I am loyal to AradaBeer and prefer it over other alcoholic beverage brands.					
17.	I am likely to continue purchasing AradaBeer in the future.					
18.	I am sure about continuing to be a customer of AradaBeer.					
19.	I am not switching to other thenAradaBeer.					
20.	My intention is remaining a customer of AradaBeer.					