

**IMPACT OF BRAND EQUITY ON CONSUMER BUYER BEHAVIOR
OF SMARTPHONES AMONG MILLENNIALS: A CASE STUDY OF
THE UNITED STATES INTERNATIONAL UNIVERSITY**

BY

CATHERINE NJOKI MUIGAI

UNITED STATES INTERNATIONAL UNIVERSITY – AFRICA

SUMMER 2017

**IMPACT OF BRAND EQUITY ON CONSUMER BUYER BEHAVIOR
OF SMARTPHONES AMONG MILLENNIALS: A CASE STUDY OF
THE UNITED STATES INTERNATIONAL UNIVERSITY**

BY

CATHERINE NJOKI MUIGAI

**A Research Project Report Submitted to the Chandaria School of
Business in Partial Fulfillment of the Requirement for the
Degree of Masters in Business Administration (MBA)**

UNITED STATES INTERNATIONAL UNIVERSITY – AFRICA

SUMMER 2017

STUDENT'S DECLARATION

I, the undersigned, declare that this is my original work and has not been submitted to any other college, institution or university other than the United States International University in Nairobi for academic credit.

Signed: _____

Date: _____

Catherine Njoki Muigai (ID 649570)

This project has been presented for examination with my approval as the appointed supervisor.

Signed: _____

Date: _____

Dr. Joseph Ngugi Kamau

Signed: _____

Date: _____

Dean, Chandaria School of Business

COPYRIGHT

ALL RIGHTS RESERVED. No part of this research paper may be replicated, stored in a retrieval system or transmitted in any form, without the prior consent of the author.

Copyright © 2017

ABSTRACT

The purpose of this study was to examine the impact of brand equity on consumer buyer behavior of smartphones among millennials: A case study of the United States International University. The study was guided by the following research questions; To what extent does brand awareness influence consumer buyer behavior of smartphones among millennials? To what extent does brand association influence consumer buyer behavior of smartphones among millennials? To what extent does perceived quality influence consumer buyer behavior of smartphones among millennials? To what extent does brand loyalty influence consumer buyer behavior of smartphones among millennials?

A cross-sectional descriptive research design was employed in conducting this study and addressed the questions posed above. The study population consisted of 763 MBA students. A sample size of 153 MBA students was derived, however only 115 responded resulting in a 75.2% response rate. The collected data was analyzed using descriptive statistics as well as correlation and regression analysis. Descriptive statistics was used to describe and summarize the data, whereas correlation and regression analysis was applied to determine the relationship between the dependent and independent variables, that is, the dimensions of brand equity and consumer buyer behavior.

The findings revealed that the variables brand awareness, brand loyalty and brand association have a positive and statistically significant relationship with consumer buyer behavior, with path coefficients of 0.598, 0.417 and 0.197 respectively. Perceived quality was the only independent variable found to have a non-statistically significant relationship with consumer buyer behavior. The R^2 value indicated that a 59% variance in consumer buyer behavior of smartphones among millennials could be explained by factors of perceived quality, brand awareness, brand association and brand loyalty.

The study concluded that firstly, fundamentally high levels of brand awareness increases the probability of brand choice among millennials, produce greater consumer and retailer loyalty, and decrease vulnerability to competitive marketing actions. Secondly, consumers, more specifically millennials associate smartphones with attributes such as high technology, innovativeness, sophistication, distinctiveness, excellence and prestige. Therefore, the identity of the specific smartphone brand impacts brand associations and ultimately sales.

Thirdly, despite popular belief that perceived quality of smartphones may drive consumers to choose a certain brand over another competing brand which eventually will lead to an increase in brand equity, this line of thought does not necessarily apply to millennials. Finally, customers, particularly millennials who tend to be loyal towards a brand are those with high experience and involvement levels with that particular smartphone brand, as brand loyalty cannot exist without prior purchase and use experience.

The study recommended that, smartphones companies need to ensure that they not only sustain brand recognition and brand recall levels of brand awareness, but also strive to ultimately achieve top of mind awareness in the minds of their consumers; consistently maintain an identity that their consumers can, at any given point, link to positive cues such as credibility; to not only sustain but exceed the expectations of what their consumers deem to be as of a 'high quality', as well as ensure that their devices have the capability to deliver experiences that shape the consumer's attitude of the brand, ultimately leading to loyalty to the brand.

For further studies, this study recommended that future research narrow down the scope and focus on a specific smartphone brand with an aim to provide relevant insights that could possibly prove beneficial to the particular smartphone company. Future research can also be done to measure factors other than brand equity that may influence consumer buyer behavior of smartphones so as to gain a more holistic understanding of the concept.

ACKNOWLEDGEMENT

I would like to take this opportunity to thank the entire teaching and support staff at USIU, and to especially highlight my gratitude to my Supervisor, Dr. Joseph Ngugi Kamau, for the invaluable support and guidance accorded to me throughout this research project.

My heartfelt gratitude goes out to my family for believing in me at all times. They have demonstrated their unconditional love, encouragement, and understanding throughout this period.

Special thanks also go out to all who took their time to respond to my questionnaire, thereby contributing to the completion of this project.

DEDICATION

I dedicate this project to God who has been my anchor throughout this journey, my parents Joseph and Grace Muigai, my siblings Nick and Eric Muigai, and finally my best friends Cynthia Njeri and Nyagah Macharia, for their unrelenting love and support.

TABLE OF CONTENT

STUDENT’S DECLARATION	ii
COPYRIGHT	iii
ABSTRACT	iv
ACKNOWLEDGEMENT	vi
DEDICATION	vii
LIST OF TABLES	x
LIST OF FIGURES	xi
CHAPTER ONE	1
1.0 INTRODUCTION	1
1.1 Background of the Study	1
1.2 Statement of the Problem	3
1.3 Purpose of the Study.....	4
1.4 Research Questions	4
1.5 Significance of the Study.....	4
1.6 Scope of the Study	5
1.7 Definition of Terms	5
1.8 Chapter Summary	6
CHAPTER TWO	7
2.0 LITERATURE REVIEW	7
2.1 Introduction	7
2.2 Impact of Brand Awareness on Consumer Buyer Behavior of Smartphones among Millennials.....	7
2.3 Impact of Brand Association on Consumer Buyer Behavior of Smartphones among Millennials.....	12
2.4 Impact of Perceived Quality on Consumer Buyer Behavior of Smartphones among Millennials.....	16
2.5 Impact of Brand Loyalty on Consumer Buyer Behavior of Smartphones among Millennials.....	20
2.6 Chapter Summary	25
CHAPTER THREE	26
3.0 RESEARCH METHODOLOGY	26
3.1 Introduction	26
3.2 Research Design	26

3.3 Population and Sampling Design	26
3.4 Data Collection Methods	27
3.5 Research Procedures	28
3.6 Data Analysis	28
3.7 Chapter Summary	28
CHAPTER FOUR	29
4.0 RESULTS AND FINDINGS	29
4.1 Introduction	29
4.2 Response Rate	29
4.3 Demographic Characteristics	29
4.4. Descriptive Statistics of Variables	32
4.5 Normality Test	37
4.6 Confirmatory Measurement Model	39
4.7 Predictive Relevance of the Model	48
4.8 Summary	48
CHAPTER FIVE	49
5.0 SUMMARY, DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS	49
5.1 Introduction	49
5.2 Summary	49
5.3 Discussion	50
5.4 Conclusion	56
5.5 Recommendations	57
REFERENCES	59
APPENDIX I: QUESTIONNAIRE	63

LIST OF TABLES

Table 4. 1 Response Rate	30
Table 4. 2 Own Smartphone	32
Table 4. 3 Brand of Smartphone	32
Table 4. 4 Brand Awareness	34
Table 4. 5 Perceived Quality	35
Table 4. 6 Brand Loyalty	36
Table 4. 7 Brand Association	37
Table 4. 8 Consumer Buyer Behavior	38
Table 4. 9 Assessment of Normality	39
Table 4. 10 KMO and Bartlett's Test	40
Table 4. 11 Total Variance Explained	41
Table 4. 12 Total Variance Explained	42
Table 4. 13 Pattern Matrix and Communality	43
Table 4. 14 Measurement Model Fits	45
Table 4. 15 Reliability of Constructs	46
Table 4. 16 Correlation Matrix	47
Table 4. 17 Model fits for Structural Model	49
Table 4. 18 Path Coefficients	49

LIST OF FIGURES

Figure 4. 1 Gender of Respondents	30
Figure 4. 2 Age of Respondents	31
Figure 4. 3 Level of Education	31
Figure 4. 4 Level of Income	33
Figure 4. 5 Confirmatory Factor Analysis for Study Variables	44
Figure 4. 6 Structural Model for Study Variables	48

CHAPTER ONE

1.0 INTRODUCTION

1.1 Background of the Study

The mobile phone industry is a very innovative segment within the ICT sector and the smartphone is gradually becoming the standard configuration of mobile devices and currently represents the fastest growing market in the telecoms industry (Cecere, Corrocher & Battaglia, 2014). Cecere *et al.* noted that for the first time, in 2013, sales of internet-connected smartphones exceeded those for more basic handsets, such that, global smartphone sales grew by 3.6% to 435 billion units in the second quarter of 2013, accounting for more than half of the market.

Sarwar and Soomro (2013) observed that, although smartphones have been in the market since 1993, it was not until the end of 2006 when the Blackberry was introduced into the market, that the smartphone became a commercially successful product. In 2007, Apple entered the market by developing the first model of iPhone and soon after in June 2008, Samsung released the Samsung Instinct, a direct iPhone competitor. Since then, competition in the market has been quite stiff among the established players and new entrants. According to Cecere *et al.* (2014) the recent battle over patents and designs between Apple and Samsung, is a clear indicator that smartphone makers are fiercely competing for leadership in the market.

Keller (2013) states that one of the most popular and potentially important marketing concepts to arise in the 1980s was brand equity. However, its emergence has had both a positive and negative impact on marketers. Keller suggests that on the positive side, brand equity has elevated the importance of the brand in the marketing strategy and provided focus for managerial decisions and research activity. On the negative side, the concept has been defined in several different ways and for several different purposes. No common viewpoint has emerged about how to conceptualize and measure brand equity.

Keller implies that brand equity enables the customer to make distinctions between their preferred brand and others, and this influences how he or she responds to marketing of the brand. According to Andai (2016) brand equity is a set of components that add to, or subtract from, the value provided by a product or service to both the firm and its customers. These assets include brand awareness, brand association, perceived quality and brand loyalty. To manage brands properly, Andai emphasizes that marketers need to clearly

comprehend the value and aspects of their brands in terms of what makes them tick and what they are worth as well as how they will measure and conduct valuation of brand equity at customer, product and financial levels. Aaker (2010) highlighted that most brand equity studies have been done for two main reasons; one being the financial aspect, and the other for strategy motivation and improvement of marketing productivity. Thus, the need for marketers to gain a better understanding of brand equity in terms of consumer behavior.

Consumer behavior is demonstrated when individuals search, purchase, use and evaluate goods and services (Andai, 2016). Survival of firms largely relies on-in depth understanding of the consumer. Given the current competitive business environment, manufacturers have been forced to produce goods with the customer needs in mind. They also consider the process involved in consumer decision-making. In the marketing context, the term 'consumer buying' means the purchasing act as well as activities that go along with the pre-purchase and post purchase activities (Hawkins & Mothersbaugh, 2010). A deeper knowledge of consumer behavior helps marketers understand why and how consumers buy certain brands and how their environment shapes those decisions. In addition to the consumer decision-making process, a marketer also needs to understand the dynamics that affect the way individuals and groups buy goods and services.

Kenya is considered among the fastest growing economies. (Communications Authority [CA], 2016) reported that Kenya's mobile and internet penetration are among the highest in Africa at 83% and 53% respectively. The estimated number of the internet users stands at 26.1 million, with 99% accessing the internet through mobile data. Although feature phones still dominate, smartphones are catching up fast. In 2015, 58% of all the phones that were sold in the country, an estimated 150,000 devices monthly were smartphones.

Regionally, Nairobi is still significant, currently generating over 42% of the smartphone sales in the country, (CA, 2016) reported. This significant growth has been driven by medium-term macroeconomics and policy factors as well as more recent competition among telecommunication companies and handset makers. Starting in 2009, the Kenyan government has been investing in the undersea fiber optic-cables, which continues to expand internet penetration rates in the country at a rapid pace.

Kenya's economic boom and increasing internet connectivity have made the economy a very attractive market for new entrants in the smartphone category. In recent years, (CA, 2016) reported that the country has seen an influx of newer Chinese brands bringing high-

spec low cost devices in the Kenyan market: such that, smartphones priced under \$100 captured 5% of the market in 2013, increasing to 20% by 2014. Many new vendors have taken advantage of this golden price point and launched devices that have led them to be able to effectively challenge dominance of established players. This has driven dominant brands to respond to the competition with their own low mid-tier models.

1.2 Statement of the Problem

Brand equity plays a very significant role in consumer purchase decisions. Andai (2016) suggests that this is because the dimensions of brand equity often influence consumer preferences as well as intentions to purchase products and services. According to Akhtar, Ulain, Siddiqi, Ashraf, and Latif (2016) the four main components of brand equity are: brand awareness, brand association, perceived quality and brand loyalty.

In Kenya, the popularity of smartphones accompanied with the increase of consumer disposal income of the common citizen, has prompted expansion of, and competition in the smartphone industry. (CA, 2016) reported that smartphone companies are therefore leveraging their brands by enhancing marketing strategies and providing a variety of products to not only retain customers but also to attract more. Thus, there is a steady increase of the smartphone customer base and stiff competition among companies in the industry.

Previous studies on brand equity have been conducted both locally and internationally.

Internationally, some of these studies focused on brand equity's impact on various industries. For instance, Akhtar *et al.* (2016) investigated the impact of brand equity on consumer purchase decision in L'Oréal skincare products, while; Fouladivanda, Pashandi, Hooman, and

Khanmohammadi (2013) did a study on brand equity's impact on fast moving consumer goods (FMCG). On the other hand, other studies investigated on individual components of brand equity such as awareness or loyalty. For instance, Dhurup, Mafini, and Dumasi (2014) focused on the impact of packaging, price and brand awareness on brand loyalty: evidence from the paint retailing industry. Locally, Andai (2016) focused on the influence of brand equity on consumer purchase choices among pay TV subscribers in Nairobi, Kenya.

Therefore, while there are existing studies on brand equity, previous studies did not address brand equity in the context of consumer buying behavior of smartphones among millennials. In view of the research problem, this study seeks to address the knowledge gap by attempting to answer the question, ‘what is the impact of brand equity on consumer buyer behavior of smartphones among millennials?’

1.3 Purpose of the Study

The purpose of this study was to examine the impact of brand equity on consumer buyer behavior of smartphones among millennials: A case study of the United States International University.

1.4 Research Questions

1.4.1 To what extent does brand awareness influence consumer buyer behavior of smartphones among millennials?

1.4.2 To what extent does brand association influence consumer buyer behavior of smartphones among millennials?

1.4.3 To what extent does perceived quality influence consumer buyer behavior of smartphones among millennials?

1.4.4 To what extent does brand loyalty influence consumer buyer behavior of smartphones among millennials?

1.5 Significance of the Study

1.5.1 Significance to the Smartphone Industry

The findings of this study will contribute greatly to the benefit of the companies in the smartphone industry given that brand strategies play an important role in the way customers consume a product. The growing demand for smartphones justifies the need to understand the rationale behind consumer purchases, more so among millennials. Thus, smartphone companies that apply observations derived from this study could possibly better understand the importance of applying brand equity in marketing strategy to not only retain but also attract more customers.

1.5.2 Significance to Fellow Researchers

For the researcher, this study will uncover critical findings on the dimensions of brand equity and their influence on consumer buyer behavior among millennials that others researchers may have not explored. Thus, new revelations may be arrived at.

1.6 Scope of the Study

This study focuses on brand equity in terms of: brand awareness, brand association, perceived quality and brand loyalty, and how they each influence the consumer buyer behavior of smartphones, specifically among millennials. An analysis will be carried out in the United States International University, which is the population of interest of this study.

1.7 Definition of Terms

1.7.1 Brand Equity

Hawkins and Mothersbaugh (2010) define brand equity as the value consumers assign to a brand above and beyond the functional characteristics of the product.

1.7.2 Brand Awareness

According to Aaker (2010) brand awareness can be referred to as the degree of consumer's familiarity with a brand.

1.7.3 Brand Association

Brand association is defined as anything linked in memory of a brand (Aaker, 2010). The underlying value of a brand name is often based upon specific association linked to it, whether positive or negative. Keller (2013) suggested that brand association can be created by linking the brand to a node or information in memory that conveys meaning to consumers.

1.7.4 Perceived Quality

Aaker (2010) referred to perceived quality as the perception of superiority of brand when compared to alternative brands in the competitive set. Keller (2013) believes that perceived quality is a core dimension of customer-based brand equity as it relates to the willingness to pay a premium price, brand choice and brand purchase intention.

1.7.4 Brand Loyalty

Aaker (2010) defines brand loyalty as the attachment a customer has to a brand.

1.7.5 Consumer Buyer Behavior

According to Khaniwale (2015) consumer behavior refers to all the thought, feelings and actions that an individual has or takes before or while buying any product, service or idea. Buyer behavior is the concept which answers what, why, how, when and where an individual makes purchases. Thus, the outcome of buyer behavior is the buyer's decision.

1.7.6 Smartphone

Mohan (2014) defines a smartphone as a mobile phone that integrates a feature phone and a mobile computing platform, combining functions such as digital cameras, media players, highspeed data access via Wi-Fi and GPS navigation with the option to download applications through application markets. Typically, smartphones also comprise of web browsers and highresolution touchscreens, which provide people better viewing and browsing experience.

1.7.7 Millennial

DelCampo, Haggerty, Meredith and Knippel (2012) refer to a Millennial as one who was born between the year 1980 – 2004, and the first generation to come of age in the new millennium.

1.8 Chapter Summary

This chapter lays the foundation of the study. It begins by documenting a brief background on the genesis of smartphones, while highlighting on the variables of the study, namely: brand equity and consumer buyer behavior. In addition, the purpose of the study has been outlined and research questions generated. To conclude, the significance and scope of the study have been noted to discern the importance of and gain clarity on the extent of the study. The following chapter consists of the literature review, whereby an empirical review of related studies will be conducted.

CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Introduction

The overall objective of this chapter is to establish the significance of this study, thereby identifying an area where a new contribution could be made. The bulk of this chapter will critically evaluate the different sources of secondary data relevant to this study, to establish a greater understanding of the research questions highlighted in the previous chapter.

2.2 Impact of Brand Awareness on Consumer Buyer Behavior of Smartphones among Millennials

2.2.1 Brand Awareness in Consumer Buyer Behavior

According to Khaniwale (2015) consumer behavior can be referred to as the combination of efforts individuals employ before or while purchasing any product or service intended to fulfill an unmet need. Khaniwale further explains that buyer behavior is the concept which answers what, why, how, when, and where an individual makes a purchase and as a result, the outcome of buyer behavior is the buyer's decision.

The consumer typically goes through five stages before the actual purchase. Kotler and Armstrong (2014) point out that the consumer can skip a few stages during a routine purchase, that is, purchases of a habitual nature often lead directly to buying, and thus the second and third stages are skipped. However, when a consumer faces a new and complex purchase for instance, where there is a change in aspects such as price or availability, then the buyer may reenter the full decision process and consider alternative brands.

Whether complex or simple, the decision-making process starts with the recognition of a need.

Kotler and Armstrong (2014) suggest that a consumer's recognition of a need can be triggered by internal or external stimuli. Internal stimuli are linked to a human's basic needs, for example thirst, that prompts the consumer to buy a bottle of water. Whereas, external stimuli can be in form of an advertisement for instance, that can get a potential consumer thinking about purchasing a new smartphone. It is at this stage when the consumer recognizes a distinct difference between their current and desired state. The need recognition process can occur naturally, however marketers can often set it in motion through employing marketing tactics that create demand and encourage purchase.

After a need is recognized, the consumer engages with information search to help identify and evaluate alternative products and services. According to Khaniwale (2015) the possible sources of information include family, friends, personal observation, consumer reviews, salespeople or mass media. However, millennials currently rely more so on the internet for information. The extent of the search will mostly depend on a consumer's drive as well as the satisfaction got from the search (Kotler & Armstrong, 2014). Despite consumers obtaining a large amount of their information from commercial sources that are controlled by marketers, Kotler and Armstrong believe that the most effective sources tend to be personal such as family or friends. As consumers obtain information, there is an increase of awareness towards available brands, and subsequently this information helps consumers to drop some brands when making the final selection of the brand.

Once information collected is stored and processed, the consumer then evaluates the different alternatives to determine the most viable option. Lautiainen (2015) suggests that the evaluation of alternatives will vary among customers and purchases. In the case of a habitual decision process, consumers often make little or no evaluation as their buying decision would typically be based on impulse and intuition. On the other hand, the consumers who are engaged in an extended problem solving process may carefully evaluate several brands. Lautiainen further explains that the alternatives that are actively considered during the selection process are often influenced by factors such as financial costs, amount of information already obtained, perceived risk of possibly making the wrong choice as well as the consumer's predisposition toward particular choices as influenced by the attitude of the individual towards choice behavior.

After the evaluation of the alternatives, the consumer is then ready to make the actual purchase. Khaniwale (2015) pointed out that any intervention by marketers to simplify purchasing at this stage is often well received by the customers, for example, by suggesting the best smartphone for a particular use through providing basic product information on labels, advertising and personal selling. Finally, after purchase the consumer will then evaluate their satisfaction level. Lautiainen (2015) stated that if the consumer feels disappointment, expectations towards the product have not been met. However, when consumers' expectations have been exceeded, this high level of satisfaction often translates into brand loyalty.

Brand awareness can be referred to as the degree of consumers' familiarity with a brand. Masika (2013) relates it to the strength of the brand in memory as reflected by consumers' ability to identify the brand in different situations. Keller (2013) conceptualized brand awareness as comprising of brand recall and brand recognition. He argued that brand recognition may be more important when product decisions are made in the store and no one buys what they do not know. Masika pointed out that brand attitude and intention to purchase a product can only be developed through brand awareness.

Koniewski (2012) stated that employing brand awareness as a shopping guide is a strategy applied by consumers to save time and effort which, when dealing with an unknown brand, they would devote to comparing the products in relation to other attributes, such as quality, packaging and price. Brand awareness could be therefore interpreted as cognitive simplification. Relying on brand awareness is a frequent tactical decision made when buying a product for the first time. When making subsequent purchases, the consumer focuses on the product's practical attributes, such as quality, functionality, taste or fragrance. Koniewski noted that brand awareness has a stronger impact on the subsequent purchasing choices, if the product once tried out fulfilled the consumer's expectations.

Many researchers view brand awareness as an element that plays a vital role in consumer's choice of brand. The result of the study conducted by Masika (2013) established that brand awareness had the most powerful influence on consumers purchase decisions. Lin and Chang (2003) study as cited by Masika, examined the importance of brand awareness in consumers' decision making process and found out that brand awareness was a primary factor.

Aaker (2010) stated that there are various levels of brand awareness. The lowest level is brand recognition and reflects familiarity, a manner of aided recall. The next level is brand recall, a manner of unaided recall and reflects awareness of a brand when its product class is mentioned. The first named brand that comes to mind in an unaided recall test is called 'top-of-mind. That is, the brand has the strongest position in the respondent's mind.

Djerv and Malla (2012) believe that a consumer's top-of-mind awareness of a brand is influenced by the consumer's experience of the brand. Past experiences might include: previous purchase, brand presence in various contact points such as advertising, media, press, social media, in-store experience, product placements, as well as what family and friends' perceptions of the brand are and their expressed opinions of it. Peter and Olsson

(2008) argued that spontaneous awareness is more desirable than prompted awareness, as it means the brand is top-of-mind. However, Masika (2013) argues that a good manager will realize that often it is not about being top-of-mind that drives purchase intentions, as a brand can be top-of-mind because it is actively disliked.



Figure 1. 1 Awareness Pyramid Source: Aaker (2010)

To measure brand awareness effectively, Keller (2013) suggests that it is important to know when and where most of the consumer decisions are made. Koniewski (2012) suggested that brand recognition measures decisions made at a point of purchase, where the brand, logo and packaging are visible. However, if consumer decisions are made away from the point of purchase then the brand recall measure becomes more important.

The most basic procedure of recognition is to ask the consumer which among several listed items have they previously seen or heard of. As for brand recall, there are different measures of brand recall depending on the type of signals given to the consumers: unaided recall and aided recall, which are described above. However, Koniewski warns that one should be aware of the limitations of such a measure, because consumers also perceive a brand through the prism of factors beyond the company's direct control, for example, recommendations by other consumers.

2.2.2 Millennials Knowledge on Brands

According to Capelo (2014) majority of authors believe that millennials are the most educated and knowledgeable generation on existing marketing techniques, and as a result

of this reality, they comprise of a generation with high technical knowledge of the products they buy, searching for more information and sources before actually making a purchasing decision. Capelo further argues that compared to other generations, millennials are a group difficult to reach since this knowledge gives them the assertiveness to question the truthfulness in advertising communications. This can be attributed to the generation's more active nature when it comes to the employment of technologies in their daily life, using smartphones and internet as ways to connect with brands and retailers. Social networks are the most exemplifying example of a generation defined by the ease and speed of relations at a distance and by the dissemination of content production and sharing.

Of importance to note is their utilization of digital media and the benefits of education in addition to the potential they display when confronted with new types of communication and new technologies. Therefore, it is easier for this generation to search and compare information, making it easier to seek out inconsistencies in brand messages. At the same time, it is conjointly easier to share information and make it reach consumers all around the world (Capelo, 2014).

Any inconsistencies can drastically decrease the trust this generation has on a brand (Lazarevic, 2012 as cited in Capelo, 2014). Still, the engagement between millennials and the digital ecosystem does not end at social networks. They go online to purchase, get informed, be entertained as well as communicate. Their use of online media and digital marketing transforms these tools into effective ways of reaching this generation. Digital marketing can therefore be attributed to as being one of the most optimal ways to reach millennials.

2.2.3 Brands Knowledge on Millennials

According to Nowak, Thach and Olsen (2006) as cited in Capelo (2014) millennials are seen as realistic when it comes to consumption choices and are often looking for the option that adds the most value to their selections. Therefore, when studying this generation and its relations with brands, it becomes imperative to understand this generation's role as active consumers not only when it comes to their choices but also because of their endorsement skills.

Another relevant quality of millennials and what they are as consumers is their concern with others opinion of them. This generation is more aware of the social consequences a bad purchase can have as well as the desire to sustain a stylish social image, which can be

achieved through the consumption of specific brands (Capelo, 2014). Consequently, brands are compelled to concentrate their efforts in developing a positive image that is aligned with millennials' tastes, preferences and self-image. Therefore, to get the loyalty of these consumers, branding becomes crucial since millennials use brands as a means to satisfy their need for self-expression and are perpetually looking for brands that are aligned with the image they desire to pass, sticking to the ones that do it better.

Based on the above literature, it is evident that brand awareness plays an important role in consumer decision-making process in general, and subsequently can be concluded to apply in the context of smartphone purchase. Mohan (2014), discovered that it increases the likelihood of a brand being a member of the consideration set, that is, a collection of brands to choose from. Furthermore, it has been shown that consumers adopt a decision rule to buy familiar brands. Brand awareness can therefore be seen to affect decisions about brands in the consideration set. Lastly, it influences the formation and strength of brand associations. Fundamentally, high levels of brand awareness should increase the probability of brand choice, produce greater consumer and retailer loyalty, and decrease vulnerability to competitive marketing actions (Keller, 2013).

2.3 Impact of Brand Association on Consumer Buyer Behavior of Smartphones among Millennials

2.3.1 Brand Association in Consumer Buyer Behavior

A brand association is anything connected to a brand by memory. Aaker (2010) believes that the underlying value of a brand name is often based upon specific associations linked to it, whether positive or negative. According to Keller (2013) brand associations can be created by linking the brand to a node or information in the memory that conveys meaning to consumers.

Consumers' favorable brand beliefs will influence their purchase intentions and choice of the brand.

Cognitive psychologists believe that memory is extremely durable, so when information is stored, it decays very slowly (Djerv & Malla, 2012). Still being available in memory, does not have to imply being accessible and retrieved, not without strong associations and retrieval cues (Aaker, 2010). Therefore, the larger the number of cues linked to a piece of information, the greater the likelihood that the information can be recalled (Mohan, 2014). Additionally, Mohan stated that brand associations could be influenced by information on

objective attributes such as price and physical traits. Previous research has also shown that the differentiation, favorability and the strength of associations are important parts of brand knowledge, and this in turn is an essential source of customer-based brand equity (Keller, 2013).

2.3.2 Dimensions of Brand Associations

Chen, Yeh and Jheng (2013) propose measuring brand functions through the dimensions of guarantee, personal identification, social identification and status. The guarantee function is based on the appraisal that the brand is reliable, efficiently carries out its performance qualities and meets the generated expectations. Similarly, it is fitting to associate this function with the perception that the brand is linked to products with a suitable level of performance and is concerned about conveniently satisfying consumer needs, contributing variety and innovation (Mohan, 2014).

The personal identification function is related to the fact that consumers can identify themselves with some brands and develop feelings of affinity towards them. In the literature on brand influence, a basic theory refers to the congruence between the consumer's behavior, his self-image and the product image. Chen *et al.* (2013) state that this theory is based on the idea that individuals can enrich their self-image through the images of the brands they buy and use. In this way, the theory upholds that the greater the consistency between the brand image and the consumer's self-image, the better the consumer's evaluation of a brand and the greater his intention to buy it.

According to Chen *et al.* (2013) the social identification function is based on the brand's ability to act as a communication instrument allowing the consumer manifesting the desire to be integrated, or on the contrary, to dissociate himself from the groups of individuals that make up his closest social environment (those people with whom he currently interacts or aspires to do so). Consumers interested in this function will positively value those brands that enjoy a good reputation among the groups with which they belong to or aspire to form part of.

The status function expresses the feelings of admiration and prestige that the consumer may experience upon using the brand (Chen *et al.*, 2013). In this way, the status function, just like the social identification function, is revealed thanks to the need of individuals to communicate certain impressions to people in their social environment. However, the difference between the two functions lies in the fact that the social identification function

is related to the desire to be accepted by and feel member of certain groups. On the other hand, Chen *et al.* suggests the status function corresponds to the individual's desire to achieve prestige and recognition from others, without this necessarily meaning that the brand is representative of their social group. Therefore, the status could even impede the individual's identification with certain social groups.

According to Rio, Vazquez and Iglesias (2001) the impact of brand functions on consumer response constitutes an extremely necessary subject when analyzing the worth the brand has for the firm. The competitive benefits that result from a positive brand image can be categorized into three basic components. Firstly, advantages associated with current performance and profitability, that is, the brand's ability to demand higher margins and volume, more inelastic consumer response to price increases, increased marketing communication effectiveness and greater trade co-operation. Secondly, advantages related to longevity of profits and brand loyalty, less vulnerability to competitive marketing actions, less vulnerability to marketing crises. Finally, advantages associated with growth potential and possible licensing opportunities, generation of positive word-of-mouth, brand's ability to introduce new products as brand extensions.

Previous research revealed that brand associations have a positive influence on consumer choice, preferences and intention of purchase of brands in terms of their willingness to pay a price premium, embrace brand extensions and advocate to others. Therefore, it is also intriguing to analyze the individual effects of each of the various dimensions, which in turn, will enable marketers to guide brand decisions more suitably, through identifying which associations ought to be strong so as to realize the required consumer response (Rio *et al.*, 2001).

2.3.3 Categories of Brand Association

According to Brahmhatt (2017) attitudes relating to knowledge functions are based on the information set which consumers have through various data points or past experiences. Such information set generally relates to the information of the brand's performance and its product attributes. Brand associations relating to product attributes include price-quality perceptions, quality perceptions, and efficient product design. Whereas, a brand's performance related association include operational process efficiency and how efficiently the brand is able to use technology.

Secondly, attitudes pertaining to utilitarian or instrumental function guide consumers to maximize rewards and minimize punishment from the usage of a particular brand. Like knowledge function, attitudes pertaining to utilitarian also relate with the brand's performance and product attributes. Brand associations like efficient product design, efficient geographical reach, operational process efficiency and product reliability belong to utilitarian function. In addition to that, associations related to sensuality which is typically connected with aroma or taste of the product also belongs to utilitarian function. Pricing of the brand is also related to the rewards and punishments for the consumers, which validate its belongingness to the utilitarian function. Consumer's level of product involvement also pertains to utilitarian function. Global brands have been perceived as high product involvement, wherein regional brands are perceived to be suitable for low involvement product (Brahmbhatt, 2017).

Thirdly, attitudes serving to value-expressive function facilitate consumers to express and symbolize their central values, idiosyncratic preferences and self-concept. Brahmbhatt (2017) suggests that brand associations under this category include regional brands being unique, trustworthy, original, affect laden and emotionally appealing. Also, global brands are perceived as a reflection of modernity and cosmopolitan sophistication. Wherein, national brands have been perceived as innovative. Such reflections of central values of the consumers belong to value-expressive function.

Fourthly, attitudes serving the social-adjustive function help consumers identify with reference groups and confirm others' expectations within that group. Also, they help consumers establish identity among others. Global brands are perceived to be prestigious and provide higher social acceptability, whereas regional brands are believed to be of lower status. Such perceptions belong to the category of social-adjustive function (Brahmbhatt, 2017).

Finally, Brahmbhatt (2017) states that attitudes pertaining to ego-defensive function can serve as a defense mechanism to the consumers, which would help them cope up with internal conflicts. Consumer may use defense mechanisms like denial, repression or projection to prove a purchase decision worthy. Consumers do perceive that global brands have more power. Thus, sometimes although a consumer does not find a brand worthy, he would equate the power of the brand as a defense mechanism for their purchase decision.

Likewise, higher aspiration value for global brands would serve as an ego defensive mechanism. Such attitudes protect consumers from internal conflicts of buying decision.

For smartphones, brand associations can be represented by the functional and experiential attributes offered by the specific brand. Consumers associate the brand with attributes such as dynamism, high technology, innovativeness, sophistication, distinctiveness, excellence and prestige (Mohan, 2014). The combination of tangible and intangible attributes creates a brand identity, that is, a unique set of brand associations that the brand strategist aspires to create or maintain, which drives brand associations (Aaker, 2010). Therefore, the identity of the specific brand may impact brand associations and ultimately sales.

2.4 Impact of Perceived Quality on Consumer Buyer Behavior of Smartphones among Millennials

2.4.1 Perceived Quality in Consumer Buyer Behavior

According to Aaker (2010) and Keller (2013), perceived quality is a core dimension of customer based brand equity as it relates to the willingness to pay a premium price, brand choice and brand purchase intention. Masika (2013) referred to perceived quality as the perception of superiority of a brand when compared to alternative brands in the competitive set. Masika further stated that it is considered the consumer's subjective assessment of the whole product's superiority or excellence. Like brand association, perceived quality provides consumers with value and gives them reason to differentiate one brand from another.

Perceived quality is a critical element for consumer decision making. Consequently, consumers will compare the quality of alternatives with regard to price within a category (Yee & San, 2011). According to Mohan (2014), perceived quality is directly related to the reputation of the firm that manufactures the product. It is used as a key factor by many firms to create their competitive advantage in their relative industry. Schiffman, Kanuk and Wisenblit (2010) pointed out that perceived quality is not the actual quality of the brands or products, rather, it is the consumers' judgment about an entity's overall excellence or superiority. Perceived quality has direct impact on consumers' purchase decision and brand loyalty, especially during the time customers have little or no information of the products that they are going to purchase, and is neither motivated nor able to conduct a detailed analysis (Kotler & Armstrong, 2014).

Strizhakova, Coulter, and Price (2011) developed two models with two specific mediating variables namely brand and self-identity brand signal to identify the brand preferences of consumers. They found that consumers in both developed and developing countries prefer global brands owing to higher quality. This is in the view of the fact that if a brand is perceived as globally available, brand quality is thought to be internationally accepted. Therefore, consumers perceive higher quality of global brands. Additionally, Strizhakova *et al.*, found that global brands even appeal more so to local consumers owing to higher perceived quality and prestige.

Consumers often judge the quality of a product based on a variety of informational cues, intrinsic or extrinsic, that they associate with the product. As defined by Schiffman *et al.* (2010), cues that are intrinsic concern physical characteristics of the products itself, such as product's performance, features, reliability, conformance, durability, serviceability and aesthetics. On the other hand, extrinsic attributes are the cues that are external to the product itself, such as price, brand name, brand image, company reputation, manufacturer's image, retail store image and the country of origin. Therefore, the subjective judgment of quality may be affected by personal product experiences, unique requests, and consumption situations, whereas the long-term experience with a brand makes consumers recognize the advantages and differentiation of the brand (Aure & Nervik, 2014). Masika (2013) points out that perceived quality cannot necessarily be objectively determined, in part, because it is a perception and also because judgments about what is important to customers is involved, and customers differ in their personalities, needs and preferences.

Stojanov (2012) noted that researchers have distinguished between objective quality and perceived quality, to better understand the various ways in which quality is perceived. Objective quality is also known as mechanistic quality, where the features of a product on the market are examined through objective criteria. However, in this sense, the expression of 'objective quality' may be deceptive, as the appraising methods have shown to vary greatly. Some researchers view this mechanistic quality being as an example of technical superiority, or the total of specific product attributes. On the other hand, humanistic or perceived quality is subjectively examined by different audiences, being extremely dependent on issues such as extremely unsteady results.

To better gain clarity and objectively study quality, numerous industrial ratings have typically been used. However, the accuracies of their measures have been strongly debated. While many products may have been termed as technically superior in particular aspects, they may not be valued as highly by the consumers, since in one way or another, quality is ultimately perceived and experienced subjectively (Stojanov, 2012).

In her study, Zeithaml (1988) as cited in Stojanov (2012) explained how researchers have previously further broken down quality into affective and cognitive quality an overall attitude. The former relates to the general experience that consumers have of the product or service examined, whereas the latter is used more so for products which can be measured relatively better before purchase. The study further elaborated that non-durable consumer products as well as services are usually evaluated through affective quality, or equally through the quality perceptive attitude towards the product.

2.4.2 Quality and Culture

Hofstede's cultural dimensions are the cornerstone for gaining insight on cultural differences and their impact on various purposes of marketing. A study by Furrer, Liu and Sudharshan (2000) as cited in Stojanov (2012) argued that on the cultural dimensions conferred, different ethnic groups view quality in services differently. In a globalized market, the producer of goods and services producers are put under pressure to decide between standardization, which results in cost reductions through economies of scale or localized adaptation based on preferences defined by geographic, demographic characteristics of the consumers.

Even though some products are globally standardized, market segmentation has become a necessary marketing tool for almost all international businesses. To facilitate the segmentation process successfully, it is necessary to grasp the underlying factors which make the culturally diverse customers ultimately demand different things (Stojanov, 2012). Although the studies by Furrer *et al.* (2000) as cited in Stojanov are centered on the relationship of culture to service rather than product quality perception, their findings on a number of the cultural dimensions are relevant to understanding how these differences generally have an effect on consumers' perceptions.

In extremely individualistic cultures where consumers are self-centered, self-responsible and pushed to be effective by their surroundings, they too logically expect the same from

the products and services they procure. It can be therefore said that in individualistic cultures, consumers not only demand but also expect high quality. Moreover, the findings in the study have found support that in these cultures, owing to their overall self-reliance, consumers do not seek for assurance from the producers (Stojanov, 2012).

Stojanov (2012) pointed out that yet another dimension that had vital and relevant findings was long-term orientation. In long-term oriented cultures, reliability was greatly valued. This may suggest that in these environments, consumers explore for procurement of reliable products and services, as it is the foundation of a long-term relationship. Furthermore, the findings suggest that assurance was not highly valued in these cultures.

2.4.3 From Quality to Value to Price

In her research Zeithaml (1988) as cited in Stojanov (2012) presents the means-end model on price, quality and value accompanying the factors which she had found relevant to the research. Perceived quality and perceived value mainly differ on two fronts. Firstly, perceived value is dependent on high-level abstractions being more individualistic and dependent on personal attributes. Secondly, value is considered as a tradeoff, where the benefits of the product are weighted against the costs resulting from purchase or use of the product. In addition to quality, factors such as prestige for instance are also highlighted as possible benefits that consumers get from their procurement decision.

Zeithaml's study portrays perceived value as a tradeoff between benefits and costs. Relationships are not only evident from the quality in terms of both extrinsic and intrinsic attributes, but also from cost of perceived sacrifice. The perceived sacrifice generated from the individual's subjective perception of objective price is illustrated in the model.

The analysis explains that the objective price as a unit, is rarely recalled by consumers, whereas the perceived monetary price in terms of the concept of 'cheap' or 'expensive' often stays in the minds of the consumers for a lengthy period of time. The findings further elaborated how despite the fact that price gives off a strong message on which consumers may rely on in situations where alternative cues are not available, literature review shows that in most cases price is not considered a crucial factor by consumers. Moreover, findings differ greatly between demographic and product groups. For example, a lot of attention is given onto price when dealing with pricey packaged goods as well as durable products rather than low-cost consumables. Availability of other cues, price variation within the

product class, price awareness in the market's consumers and the consumers' ability to detect quality variations within the product group, are among the factors affecting price as an indicator of quality as evidenced in previous research (Stojanov, 2012).

2.4.4 Dimensions of Perceived Product Quality

To efficiently manage perceived product quality, it is essential to consider the dimensions of it. Aaker (2010) suggests seven perceived product quality dimensions. The first is performance: the primary operating characteristics of the product. The second is features: the secondary components of products that supplement the product's basic functioning. The third is conformance with specifications, that is, the absence of defects. The fourth is reliability: the consistency of performance from each purchase to the next. The fifth is durability: the measure of product life in terms of how long will the product last. The sixth is serviceability: it reflects the ability to service the product, or the speed, courtesy, and competence of repair. Finally, the seventh is "fit and finish": refers to the look or feel of quality. It is considered vital as it is a dimension that consumers can judge. Aaker points out that the assumption is often that if the business is not capable of producing good "fit and finish" products, the products will in turn probably not offer any other, more important attributes of quality.

From the above literature, it can be concluded that perceived product quality can be significantly different from the actual manufacturing quality of products, such that, although the actual quality of products is good, it is possible that the products may be perceived negatively. Therefore, smartphone companies should not only ignore the concept of perceived quality concept but also ensure that the consumer perceptions of quality match actual quality.

2.5 Impact of Brand Loyalty on Consumer Buyer Behavior of Smartphones among Millennials

2.5.1 Brand Loyalty in Consumer Buying Behavior

Aaker (2010) defines brand loyalty as the attachment that a customer has to a brand. It consists of both attitudes and actual behaviors toward a brand and that both must be measured.

Attitudinal measures are concerned with consumers' overall feelings about the product and the brand, that is, evaluation and their purchase intentions (Schiffman *et al.*, 2010).

Schiffman further elaborated that behavioral measures are based on observable and factual behaviors regarding the brand, such as quantity purchased, purchase frequency and repeat purchase. Behavioral scientists who favor the theory of instrumental conditioning believe that brand loyalty results from an initial product trial that is reinforced through satisfaction, leading to repeat purchase. Masika (2013) noted that cognitive researchers on the other hand, emphasize the role of mental processes in building brand loyalty. They believe that consumers engage in extensive problem solving behavior involving brand and attribute comparisons, leading to a strong brand preference and repeat purchase behavior. Therefore, brand loyalty is the synergy among attitudinal components such as perceived product superiority, customer satisfaction, and the purchase behavior itself.

However, according to Aure and Nervik (2014) behavioral definitions such as purchase frequency or proportion of total purchases, lack precision because they do not distinguish between a real brand loyal buyer who is intentionally faithful and the spurious brand loyal buyer who repeats a brand purchase based on mere habit or because it is the only one available at the store. Often consumers buy from a mix of brands within their acceptable range. The greater the number of acceptable brands in a specific product category, the less likely the consumer is to be brand loyal to one specific brand. Conversely, products having a few competitors in the marketplace, as well as those purchased with great frequency, are likely to have greater brand loyalty (Fouladivanda *et al.*, 2013). Thus, a more favorable attitude toward a brand compared to potential alternatives, together with repeat patronage, are seen as the requisite components of customer loyalty. Behavioral brand loyalty leads to higher market share, and attitudinal loyalty often enables the marketer to change a price for the brand relative to the competition.

Despite numerous literature on brand loyalty, Burton (2012) noted that the comprehension of the phenomenon remains lacking as the fine distinction concerning the essential thought of loyalty has not been expressly articulated nor appreciated. Variations in meaning with likely consequence to researchers have been blurred in definitions that are too general as to be nondiagnostic. While this is particularly apparent in revealed preference measures that fail to distinguish thoughtless habits from felt loyalties, random purchases from purposive repertoires, and flagrant disloyalties from situationally-driven brand use patterns, even attitudinal and hybrid measures are lacking.

Abstract concepts such as liking or preference are assumed sufficient; no attempt is made to dimensionalize the types or sources of affect that may comprise and distinguish loyalty responses. Though claiming to reveal the 'soft side' of the loyalty phenomenon, attitudinal measures seem somehow 'flat': it is difficult to argue that a straightforward liking score captures the full emotional extent inferred by the perception of loyalty. By ignoring the brand set within which loyalty is expressed, or acknowledging this simply through the availability or unavailability of competing brand alternatives, researchers dismiss the importance of the dynamic interplay among brands within a person's usage portfolio (Burton, 2012).

Burton (2012) suggests that the uninspired, non-diagnostic, and sometimes conflicting operationalization's of the construct is at least partially to blame for the reactions of those who debate either the very existence of brand loyalty in the consumer marketplace or its theoretical significance in the marketing field. The understanding of the processes governing brand loyalty also suffers significant shortcomings. Though researchers clearly identify brand loyalty as a function of psychological decision-making and evaluative processes exhibited over time, little insight into the process condition has been obtained. Theories of attitude formation primarily from cognitive psychology, guide most of the explanations drawn for loyalty.

The understanding of the temporal aspects of brand loyalty have been largely afforded in studies of nostalgia and the intergenerational transfer of brand preferences, or in descriptive inquiries that assess the durability of brand bonds over time. In short, Burton (2012) believes that the theories and investigations have not fully appreciated the dynamic quality of the brand loyalty phenomenon. Prevalent one shot measures essentially treat brand loyalty as static in nature. Behavioral measures, while adopting a wider window on construct definition that acknowledges loyalty in temporal perspective, still fail to capture the dynamic, evolutionary character of the phenomenon itself. Much remains to be learned about the temporal processes governing brand loyalty development and the changes in brand loyalties that occur over time.

According to Burton (2012) there are several factors have perhaps contributed to the lack of advancement on these fronts. First, the theoretical foundations brought to bear on questions of brand loyalty have been limited. As mentioned above, orientations have been overwhelmingly cognitive, with the attitude literature providing most of the fodder. While

some researchers have attempted to explain loyalty patterns by making use of symbolic interactionism, cultural anthropology, and consumer socialization, these studies are relatively rare. Burton further points out that the lack of attention to interpersonal relationship theories is especially noteworthy given obvious conceptual connections to the notion of 'loyalty' per se. Interestingly, the practitioner world escapes this criticism.

Qualitative researchers, especially those who work for advertising agencies and consulting firms, commonly organize their research under a relationship umbrella. Burton (2012) states that practitioners are not hesitant to apply relationship relevant concepts such as bonding, advocacy, and intimacy. Explicit attention to and development of the relationship-theoretic underpinnings of these metaphorical applications remain limited, however, appearing only in a few selective academic writings dedicated to the task. The tendency to adopt experimental and modeling approaches to the loyalty problem has also restricted the nature of insights obtained. These methods, while valuable for their predictive capacities, obscure the deep meanings that can enrich construct definitions and theoretical frameworks. Recent qualitative works on consumer-brand interaction reveal rich phenomenological insights into the nature and process of brand loyalty unavailable through dominant approaches.

These studies add consumer relevancy to our interpretations of brand loyalty by pointing out the personal significance consumers invest in the brands that they pledge their loyalties. They open the mind to dynamic versus static aspects of the loyalty construct, leading to the actionability of the findings. Moreover, they sensitize the researcher to the importance of context in understanding the nature of loyalty phenomena. Unfortunately, primary insights from these studies have not been explicitly applied to the advancement of brand loyalty theory per se. Second, these meaning-based approaches tend to be decidedly socio-cultural in character. Studies that combine the sociological and the psychological may provide a level of insight into brand loyalty process and structure not yet revealed (Burton, 2012).

Lastly, we may have possibly obliviously prohibited our learning by the very concept of brand loyalty in terms of the consumer behavior domain. Burton (2012) believes the three main assumptions exclusively guide our investigations. At best, these assumptions hinder our understanding of brand loyalty phenomena and at worst, they prevent scientific advancement through the ambiguous nature of the construct they insinuate. The first assumption is exhibited in brand loyalty measures that tend to emphasize on share of

purchase requirements as a fundamental defining characteristic. These measures completely presume that there is one unit of attachment to be divided among all brands in the usage portfolio, and that smaller shares of loyalty are somehow less valid from the consumer's point of view. The second but related assumption is that loyalty possesses a 'black and white' quality. Consumers are classified as loyal or disloyal based upon some arbitrary cutoff in purchase-share qualifications. This tendency toward dichotomy not only precludes attention to loyalty levels and types, but also blinds the researcher to the value that may exist in relationships classified as disloyal.

Furthermore, the definitions assume a culturally-biased definition of loyalty that has not been justified in the consumer behavior domain. Our measures and commentaries imply loyalty as fidelity and exclusivity: they assume the consumer's faithful enactment of a promise or pledge to consistently purchase only one brand over time. We assume loyalty is the consequence of a decided choice process among competing brands an overt response of commitment driven by the consumer acting as rational being in the optimization of choice alternatives. Our concept of brand loyalty parallels the cultural ideal of the monogamous marital relationship in its focus on fidelity and commitment. As was true with applications of personality trait theories in consumer behavior, these assumptions have been made without concern for the uniqueness of the consumer setting. Whether the notion of loyalty as exclusive committed partnership is relevant in a world of product proliferation, price wars, and hedonic consumption remains questionable at best. We have not yet articulated a definition of loyalty that is valid at the level of today's consumer experience (Burton, 2012).

An integrated conceptual framework by Schiffman *et al.* (2010) views consumer loyalty as the function of three groups of factors, namely: personal degree of risk aversion or variety seeking, the brand's reputation and availability of substitute brands and social group influences and peers' recommendations. These influences produce four types of loyalty. Firstly, no loyalty: no purchase at all and no cognitive attachment to the brand. Secondly, covetous loyalty: no purchase but strong attachment and predisposition toward the brand that was developed from the person's social environment. Thirdly, inertia loyalty: purchasing the brand because of habit and convenience but without any emotional attachment to the brand. Finally, premium loyalty: high attachment to the brand and high repeat purchase.

According to Schiffman *et al.* (2010), this framework also reflects a correlation among consumer involvement and the cognitive and behavioral dimensions of brand loyalty. Due to social perceptions regarding the importance of a smartphone, and the symbolism of a particular smartphone brand, for example, an iPhone, as representing prestige and achievement, consumers may become involved with and attached to the brand without purchasing it (covetous loyalty), but may purchase the brand when they have the money to do so. Low involvement leads to exposure and brand awareness and then to brand habit (inertia loyalty). Consumers operating in this condition perceive little differentiation among brands and buy the brand repeatedly due to familiarity and convenience. Aure and Nervik (2014) state that on the other hand, premium loyalty represents truly brand-loyal consumers who have a strong commitment to the brand, are less likely to switch to other brands in spite of persuasive promotional efforts of competitors, and may even go out of their way to obtain the strongly preferred brand.

In summary, loyalty can be seen to be formed through brand trust, commitment, satisfaction, perceived value, image, association and quality. Therefore, when a firm succeeds in establishing loyalty amongst its customers it adds value to the brand and creates strong brand affiliation, reduces marketing expenditure and influences other potential customers through positive word-of-mouth (Andai, 2016).

2.6 Chapter Summary

This chapter reviewed and discussed accumulated literature on brand awareness, brand associations, perceived quality and brand loyalty in relation to consumer buyer behavior, to establish a greater understanding of the variables. The next chapter analyzes the research methodology used in the study. It provides details on the procedure for the research, data collection method, data analysis and presentation method used.

CHAPTER THREE

3.0 RESEARCH METHODOLOGY

3.1 Introduction

This chapter focused on the methodology that the research used. It outlines the systematic analysis method that the researcher adopted for a satisfactory completion of this study. It describes and justifies the research design adopted, the data collection method and instrument, the selection of sample and the data analysis technique utilized within the study.

3.2 Research Design

A descriptive research design was employed to conduct this research, more specifically, the cross-sectional type of descriptive research. Burns and Bush (2010) state that descriptive research is undertaken to obtain answers to questions of who, what, where, when and how. In terms of this research topic, it is anticipated that through applying a descriptive research design, answers to the research questions outlined in chapter one will be obtained.

Cross sectional research provides a snapshot of what is happening in a group at a particular time and also gives a representation of the whole population with minimum bias. According to Andai (2016) the design is flexible. This enables the researcher to consider different facets of a problem and can gain new insights and ideas about a problem.

3.3 Population and Sampling Design

3.3.1 Population

A Population is total assortment of components with common and shared characteristics (Mugenda & Mugenda, 1999). The population of interest in this study is the MBA graduate student body of the United States International University. The (United States International University-Africa [USIU-A], 2017) reported that as of fall 2016, there were a total of 763 MBA graduate students.

United States International University Graduate Students	Total
Chandaria School of Business	
Master of Business Administration	763

Source: United States Fall 2016 Fact book

3.3.2 Sampling Design

According to Pearson (2016), sampling enables one to reduce the amount of data they need to collect by considering only data from a sub-group rather than all possible cases or elements.

3.3.2.1 Sampling Frame

Burns and Bush (2010) define a sampling frame as a master list of components of the population from which sample units are drawn. Based on the research population, the sampling frame was all MBA students enrolled for the summer 2017 semester.

3.3.2.2 Sampling Technique

The study adopted convenience sampling to intercept the target respondents available on campus grounds at the point of data collection. Etikan, Musa and Alkassim (2015) define convenience sampling as a type of nonprobability or nonrandom sampling where members of the target population that meet certain practical criteria, such as easy accessibility, geographical proximity, availability at a given time, or the willingness to participate are included for the purpose of the study. It is also referred to the researching subjects of the population that are easily accessible to the researcher.

3.3.2.3 Sample Size

A sample of 153 MBA students within the University, who fall under the category of a smartphone owning millennial was selected to be representative of the population. As cited in Kaol (2015), Gay (1996) proposed a rule of thumb method to determine sample size, was implemented as follows:

If the population is greater than 500, less than 1500, 20% should be sampled:

$$n = 763 \times 0.2 = 153$$

3.4 Data Collection Methods

The self-administered survey was the data collection method used to collect the primary data of this research, whereby respondents complete the survey on their own. This is the preferred method due to of the low cost such that by eliminating the need to personally travel to the respondents' location for a face-to-face interview or use of an interviewing device such as a computer program. Furthermore, the fact that the respondents can control

the pace in which they responded and thus do not feel rushed, as well as the certainty of maintaining the anonymity of respondents leading to a free and frank disclosure of information.

The instrument used to carry out this research was questionnaires. The research questionnaires consisted of two sections. Section one contained structured closed ended questions and addressed the demographic characteristics of respondents, whereas section two addressed the influence of brand equity dimensions on millennials consumer buyer behavior of smartphones. In this section, a five-point Likert scale was used to collect information; enabling respondents to indicate their level of agreement, neutrality or disagreement with the questions asked. Prospective respondents were approached and their willingness and suitability to take part in the study determined. Willing and eligible respondents were then requested to complete questionnaires and return upon completion.

3.5 Research Procedures

Permission was sought from the school to conduct this research within the premises. Anonymity and confidentiality of respondents was maintained, such that, the names of respondents were not to be disclosed nor was their personal information shared for purposes other than the stated terms. Generally, scientific misconduct or unethical action was not exercised while conducting this research.

3.6 Data Analysis

Data collected was coded, edited and analyzed using Statistical Package for Social Science (SPSS). Descriptive statistics was used to analyze data by use of frequencies and percentages. Overall mean scores and standard deviations of brand equity dimensions and millennials consumer buyer behavior was computed and evaluated. Inferential statistics was conducted by use regression and correlation analysis to determine the relationship between the dependent and independent variables.

3.7 Chapter Summary

This section offers insight into how the study was conducted. The section explored the study layout, population, sampling technique and size. It also highlighted that data collection methods and data analysis applied in this study as well as the technique used for data presentation. Chapter four presents the results and findings attained from the data analysis done.

CHAPTER FOUR

4.0 RESULTS AND FINDINGS

4.1 Introduction

This chapter consists of the data analysis results, interpretation and presentation.

4.2 Response Rate

Table 4.1 indicates the response rate. Out of 153 questionnaires hand delivered to the respective respondents, 115 were returned bringing the response rate to 75.2 %. This rate was above the expected response rate of 50-75% and thus was sufficient to perform data analysis.

Table 4. 1 Response Rate

Category	Frequency	Percentage
Responded	115	75.2
Not Responded	38	24.8
Total	153	100

4.3 Demographic Characteristics

This section discusses the results of the general information about the respondents. The analysis was based on the information that the respondents provided in the questionnaire. The gender, age, MBA concentration and average income were captured.

4.3.1 Gender of the Respondents

Respondents were asked to indicate their gender and the response was represented in Figure 4.1 below. 64% of the respondents who constituted the majority were female and 36% were male. This indicates that more females took part in the study than the males.

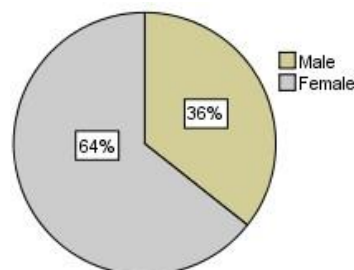


Figure 4. 1 Gender of Respondents

4.3.2 Age of the Respondents

Respondents were asked to indicate their gender and the response was represented in Figure 4.2 below. Majority of the respondents (50%) were in the age bracket of 26-30 years, 29% were in the age bracket of 20-25 years and 21% were in the age bracket of 31-35 years.

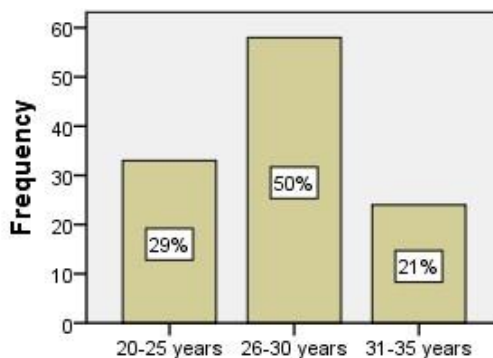


Figure 4. 2 Age of Respondents

4.3.3 MBA Concentration

The respondents were asked to indicate their MBA concentration and the findings presented in figure 4.3. 60% of the respondents' concentration was strategic management, 21% was marketing, 9% was finance, 3% was Entrepreneurship, 2% was Human resource and 6% were undertaking a double concentration.

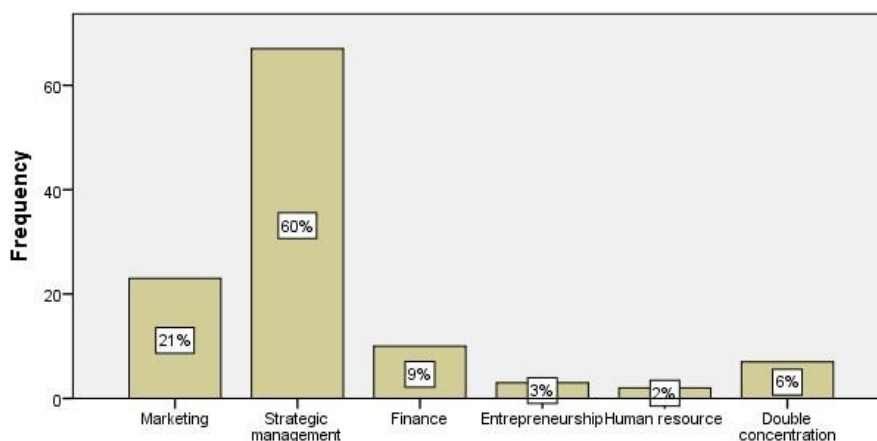


Figure 4. 3 Level of Education

4.3.4 Smartphone Ownership

The respondents were asked to indicate whether they owned a smart phone and the findings presented in table 4.2. All of the respondents (100%) indicated they owned smartphones.

Table 4. 2 Own Smartphone

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	yes	111	96.5	100.0	100.0
Missing	System	4	3.5		
Total		115	100.0		

4.3.5 Brand of Smartphone

The respondents were asked to indicate the brand of smart phone they owned and the results presented in table 4.3. The results indicated that majority of the respondents (30.4%) owned Samsung brand and 25.9% owned apple brand.

Table 4. 3 Brand of Smartphone

Brand	Frequency	Percent
Apple	29	25.9
Samsung	34	30.4
Techno	13	11.6
Infinix	13	11.6
LG	3	2.7
HTC	6	5.4
Sony	5	4.5
Huawei	3	2.7
Lenovo	2	1.8
Motorola	3	2.7
Black berry	1	.9
Total	112	100.0

4.3.6 Average Income

The respondents were asked to indicate their average income per month and the results presented in figure 4.4. From the findings majority of the respondents 35% had an average income of 80,001-120,000, 33% had an average income of over 120,000, 22% had an average income of 40,001-80,000 and 11% had an average income of 0-40,000.

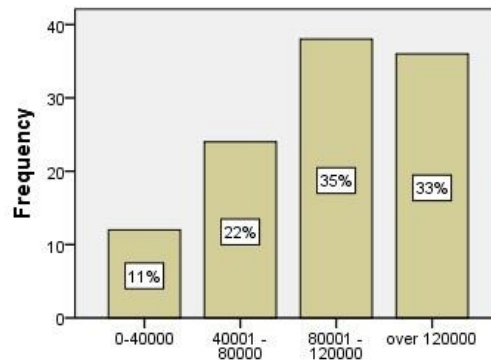


Figure 4. 4 Level of Income

4.4. Descriptive Statistics of Variables

4.4.1 Brand Awareness

The study sought to find out the respondents' opinion in reference to the variable brand awareness on consumer buyer behavior. The findings are as indicated in table 4.4. The results indicated that 88% of the respondents agreed that they would only buy a smartphone from a brand that is well known to them, 24% agreed that they would be willing to buy a smartphone from a brand they have no knowledge about, 86% agreed that they typically buy a smartphone from a brand that they can quickly recognize among competing brands, 85% agreed that before purchase, they could quickly recall the symbol/logo of their current smartphone and 81% agreed that if they could buy a new smartphone today, they would most likely purchase the brand that first comes to mind.

Table 4. 4 Brand Awareness

Brand Awareness	SD	D	N	A	SA
	(%)	(%)	(%)	(%)	(%)
I would only buy a smartphone from a brand that is well known to me.	3	4	5	27	61
I would be willing to buy a smartphone from a brand I have no knowledge about.	43	22	12	15	9
I typically buy a smartphone from a brand that I can quickly recognize among competing brands.	3	4	7	38	48
Before purchase, I could quickly recall the symbol/logo of my current smartphone.	4	2	9	32	53
If I could buy a new smartphone today, I would most likely purchase the brand that first comes to mind.	5	9	5	26	55

KEY: SA-Strongly Agree, A-Agree, N-Neutral, D- Disagree, SD-Strongly disagree

4.4.2 Perceived Quality

The study sought to find out the respondents' opinion in reference to the variable perceived quality on consumer buyer behavior, the findings are as shown in table 4.5. The findings indicated that 96% of the respondents would only consider buying a smartphone with excellent features, 89% agreed that before making a purchase, they compare and contrast the various brands of smartphones and would typically buy the one exhibiting superior characteristics, 86% agreed that they tend to buy smartphones from a brand which is known to have a brand image of being among the best in the sector and 91% agreed that they are more likely to buy a smartphone from a brand that is known to manufacture smartphones of very good quality.

Table 4. 5 Perceived Quality

Perceived Quality	SD	D	N	A	SA
	(%)	(%)	(%)	(%)	(%)
I would only consider buying a smartphone with excellent features.	2	1	2	22	74
Before making a purchase, I compare and contrast the various brands of smartphones and would typically buy the one exhibiting superior characteristics.	1	1	9	25	64
I tend to buy smartphones from a brand which is known to have a brand image of being among the best in the sector.	2	3	9	26	60
I am more likely to buy a smartphone from a brand that is known to manufacture smartphones of very good quality.	0	3	6	22	69

KEY: SA-Strongly Agree, A-Agree, N-Neutral, D- Disagree, SD-Strongly disagree

4.4.3 Brand Loyalty

The study sought to find out the respondents' opinion in reference to the variable brand loyalty on consumer buyer behavior, the findings are as presented in table 4.6. From the findings, 94% agreed that they are more likely to buy a smartphone from a brand that they believe to offer value for money, 93% agreed that they are more likely to buy a smartphone from a brand that they believe does not disappoint its customers, 93% agreed that they are more likely to buy a smartphone from a brand that they would be willing to recommend to their friends, 86% agreed that they are more likely to buy a smartphone from a brand that they take a keen interest in, 87% agreed that they are more likely to buy a smartphone from a brand that is, on a regular basis, typically their first choice, 81% agreed that they are more likely to buy a smartphone from a brand that they would be willing to pay a premium price for.

Table 4. 6 Brand Loyalty

Brand Loyalty	SD	D	N	A	SA
	(%)	(%)	(%)	(%)	(%)
I am more likely to buy a smartphone from a brand that I believe to offer value for money.	0	4	2	24	70
I am more likely to buy a smartphone from a brand that I believe does not disappoint its customers.	1	2	4	23	70
I am more likely to buy a smartphone from a brand that I would be willing to recommend to my friends.	1	2	4	27	66
I am more likely to buy a smartphone from a brand that I take a keen interest in.	4	1	9	27	59
I am more likely to buy a smartphone from a brand that is, on a regular basis, typically my first choice.	4	4	5	33	54
I am more likely to buy a smartphone from a brand that I would be willing to pay a premium price for.	1	6	12	34	47

KEY: SA-Strongly Agree, A-Agree, N-Neutral, D- Disagree, SD-Strongly disagree

4.4.4 Brand Association

The study sought to find out the respondents' opinion in reference to the variable brand association on consumer buyer behavior, the findings are as presented in table 4.7. The results indicated that 91% agreed that they would only consider buying a smartphone from a credible brand, 98% agreed that they are more likely to buy a smartphone from a brand that is highly reliable and strives to continuously improve the performance qualities of its devices, 90% agreed that they tend to buy smartphones from brands that they feel are appealing and favourable, 81% agreed that they are more likely to buy a smartphone from a brand that reflects their individual personality (e.g. practical, flamboyant), 64% agreed that they are more likely to buy a smartphone that is in fashion, 89% agreed that they are more likely to buy a smartphone from a brand that is known to have a good reputation, 81% agreed that they are more likely to buy a smartphone from a brand that is known to be a market leader, 63% agreed that they are more likely to buy a smartphone from a brand that could possibly improve the way they are perceived by their peers, 81% agreed that they are more likely to buy a smartphone from a brand that they would be proud of associating with

and 59% agreed that they are more likely to buy a smartphone that is viewed by society as a status symbol.

Table 4. 7 Brand Association

Brand Association	SD	D	N	A	SA
	(%)	(%)	(%)	(%)	(%)
I would only consider buying a smartphone from a credible brand.	3	2	4	17	74
I am more likely to buy a smartphone from a brand that is highly reliable and strives to continuously improve the performance qualities of its devices.	2	0	0	25	73
I tend to buy smartphones from brands that I feel are appealing and favourable.	2	0	8	29	61
I am more likely to buy a smartphone from a brand that reflects my individual personality (e.g. practical, flamboyant).	3	3	13	32	49
I am more likely to buy a smartphone that is in fashion.	11	7	18	32	32
I am more likely to buy a smartphone from a brand that is known to have a good reputation.	3	2	6	29	60
I am more likely to buy a smartphone from a brand that is known to be a market leader.	2	7	10	31	50
I am more likely to buy a smartphone from a brand that could possibly improve the way I am perceived by my peers.	13	10	14	25	38
I am more likely to buy a smartphone from a brand that I would be proud of associating with.	2	5	12	24	57
I am more likely to buy a smartphone that is viewed by society as a status symbol.	18	7	16	33	26

KEY: SA-Strongly Agree, A-Agree, N-Neutral, D- Disagree, SD-Strongly disagree

4.4.5 Consumer Buyer Behavior

The study sought to find out the respondents' opinion on consumer buying behavior of smart phones among millennials, the findings are as shown in table 4.8. From the findings, 84% of the respondents agreed that they would be willing to pay a premium price for a smartphone from their brand of choice, 87% agreed that they would be willing to recommend to others a smartphone from their brand of choice and 87% agreed that if their brand of choice was to sell products other than smartphones, they would probably buy them.

Table 4. 8 Consumer Buyer Behavior

Consumer buyer behavior	SD	D	N	A	SA
	(%)	(%)	(%)	(%)	(%)
I would be willing to pay a premium price for a smartphone from my brand of choice.	4	4	8	30	54
I would be willing to recommend to others a smartphone from my brand of choice.	3	2	8	30	57
If my brand of choice was to sell products other than smartphones, I would probably buy them.	5	3	5	30	57

KEY: SA-Strongly Agree, A-Agree, N-Neutral, D- Disagree, SD-Strongly disagree

4.5 Normality Test

The normality of data distribution was assessed by examining its skewness and kurtosis (Kline, 2005). A variable with an absolute skew-index value greater than 3.0 is extremely skewed while a kurtosis index greater than 8.0 is an extreme kurtosis (Kline, 2005). Cunningham (2008) stated that an index smaller than an absolute value of 2.0 for skewness and an absolute value of 7.0 is the least violation of the assumption of normality. The results of the normality test of the study variables indicated skewness and kurtosis in the range of -2 and +2 as shown in table 4.9. This implies that the assumption of normality was satisfied.

Table 4. 9 Assessment of Normality

Items	N	Skewness		Kurtosis	
	Statistic	Statistic	Std. Error	Statistic	Std. Error
BA1	115	-1.884	.226	1.336	.447
BA2	115	.722	.226	-.834	.447
BA3	115	-1.566	.226	1.517	.447
BA4	115	-1.747	.226	1.041	.447
BA5	115	-1.423	.226	.980	.447
PQ1	115	-2.997	.226	.096	.447
PQ2	115	-1.779	.226	.686	.447
PQ3	115	-1.701	.226	1.769	.447
PQ4	115	-1.821	.226	1.848	.447
BL1	115	-1.181	.226	1.102	.447
BL2	115	-1.965	.226	1.289	.447
BL3	115	-1.821	.226	.848	.447
BL4	115	-1.590	.226	.992	.447
BL5	115	-1.566	.226	.517	.447
BL6	115	-1.341	.226	11.521	.447
BAS1	115	-1.590	.226	1.992	.447
BAS2	115	-1.341	.226	1.521	.447
BAS3	115	-1.900	.226	1.743	.447
BAS4	115	-1.426	.226	1.912	.447
BAS5	115	-.822	.226	-.305	.447
BAS6	115	-1.965	.226	1.289	.447
BAS7	115	-1.261	.226	.917	.447
BAS8	115	-.706	.226	-.841	.447
BAS9	115	-1.381	.226	1.295	.447
BAS10	115	-.605	.226	-.939	.447
CBB1	115	-1.613	.226	1.118	.447
CBB2	115	-1.125	.226	.735	.447

CBB3	115	-1.842	.226	1.098	.447
Valid N (listwise)	115				

4.6 Confirmatory Measurement Model

The first phase involved confirmatory factor analysis (CFA) that evaluates the measurement model on multiple criteria such as internal reliability, convergent, and discriminant validity. Prior to this was the exploratory factor analysis (EFA) whose key steps included the computation of factor loading matrix, communalities and principal components analysis (PCA).

4.6.1 Exploratory Factor Analysis

Exploratory factor analysis was used to refine the constructs. The data was first run tests to assess its factorability using these indicators (Kaiser Meyer-Olin Measure of Sampling Adequacy, Bartlett's Test of Sphericity and communalities). KMO Measures of Sampling Adequacy of manifest variables was above the threshold of 0.6 (Kaiser, 1974), and p-values for Bartlett's test of Sphericity was significant (below 0.05) as indicated in table 4.10.

Table 4. 10 KMO and Bartlett's Test

KMO and Bartlett's Test		Value
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.837
	Approx. Chi-Square	1104.423
Bartlett's Test of Sphericity	Df	171
	Sig.	.000

4.6.1.1 Total Variance Explained

Based on these Kaiser's criterion, five factors, out of a total 19 factors, were imputed. Amongst themselves, they were able to explain 67.506% of the total variance in the data. Table 4.11 indicated that the four factors in the initial solution have eigenvalues greater than 1.03, with the threshold being eigenvalue greater or equal to 1.0 (Hair, Black, & Babin, 2010).

Table 4. 11 Total Variance Explained

Component	Initial Eigenvalues			Rotation Sums of Squared Loadings			Rotation Sums of Squared Loadings ^a
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total
	1	7.027	36.983	36.983	7.027	36.983	36.983
2	2.001	10.532	47.514	2.001	10.532	47.514	4.371
3	1.544	8.128	55.643	1.544	8.128	55.643	3.954
4	1.222	6.432	62.074	1.222	6.432	62.074	3.158
5	1.032	5.432	67.506	1.032	5.432	67.506	3.279
6	.942	4.959	72.465				
7	.756	3.979	76.444				
8	.654	3.444	79.888				
9	.592	3.118	83.006				
10	.536	2.819	85.825				
11	.486	2.559	88.384				
12	.436	2.296	90.680				
13	.386	2.030	92.711				
14	.340	1.790	94.500				
15	.322	1.694	96.194				
16	.235	1.237	97.431				
17	.216	1.139	98.571				
18	.166	.872	99.443				
19	.106	.557	100.000				

Extraction Method: Principal Component Analysis.

a. When components are correlated, sums of squared loadings cannot be added to obtain a total variance.

Table 4. 12 Total Variance Explained

Component	Initial Eigenvalues			Extraction Squared Multiple Correlations			Rotation Sums of Squared Loadings ^a
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total
	1	2.988	24.897	24.897	2.988	24.897	24.897
2	1.656	13.798	38.696	1.656	13.798	38.696	2.276
3	1.348	11.231	49.926	1.348	11.231	49.926	2.104
4	1.154	9.613	59.539	1.154	9.613	59.539	1.363
5	.910	7.583	67.122				
6	.786	6.548	73.669				
7	.735	6.128	79.797				
8	.614	5.116	84.913				
9	.552	4.603	89.516				
10	.501	4.174	93.690				
11	.412	3.434	97.124				
12	.345	2.876	100.000				

Extraction Method: Principal Component Analysis.

a. When components are correlated, sums of squared loadings cannot be added to obtain a total variance.

4.6.1.2 Pattern Matrix

Communality values to measure the variability of each observed variable that could be explained by the extracted factors were checked (Field, 2009). A low value for communality, for instance, less than 0.3, could indicate that the variable does not fit well with other variables in its component, and it is undesirable (Pallant, 2010). Communalities were above 0.5 signifying satisfactory factorability for all items as indicated in table 4.10. A simplified factor loading matrix or a pattern matrix, shown in table 4.9, is a matrix containing the coefficients or "loadings" used to express the item in terms of the factors,

that is, interpretation of factors (Rummel, 1970). In this study, the pattern matrix coefficients ranged from 0.600 to 0.866 thus showing variables are almost perfectly related to a factor pattern.

Table 4. 13 Pattern Matrix and Commuality

Items	Component				Communalities
	Brand loyalty	Buyer behavior	Brand association	Perceived Brand quality awareness	
BL2	.882				.568
BL3	.741				.674
BL4	.635				.721
BL5	.619				.753
BL1	.604				.666
BL6	.590				.643
CBB3		.759			.637
CBB2		.671			.743
CBB1		.667			.621
BAS8			.791		.738
BAS10			.768		.777
BAS4			.675		.655
BAS5			.587		.793
PQ2				.835	.606
PQ1				.811	.668
PQ3				.594	.516
BA5				.834	.645
BA4				.834	.745
BA2				.589	.755

Extraction Method: Principal Component Analysis.

Rotation Method: Promax with Kaiser Normalization.

a. Rotation converged in 13 iterations.

4.6.2 Confirmatory Factor Analysis.

Confirmatory factor analysis (CFA) was then performed using IBM AMOS software to assess the reliability and validity of the measures before using them in the research model (Anderson and Gerbing (1988)).

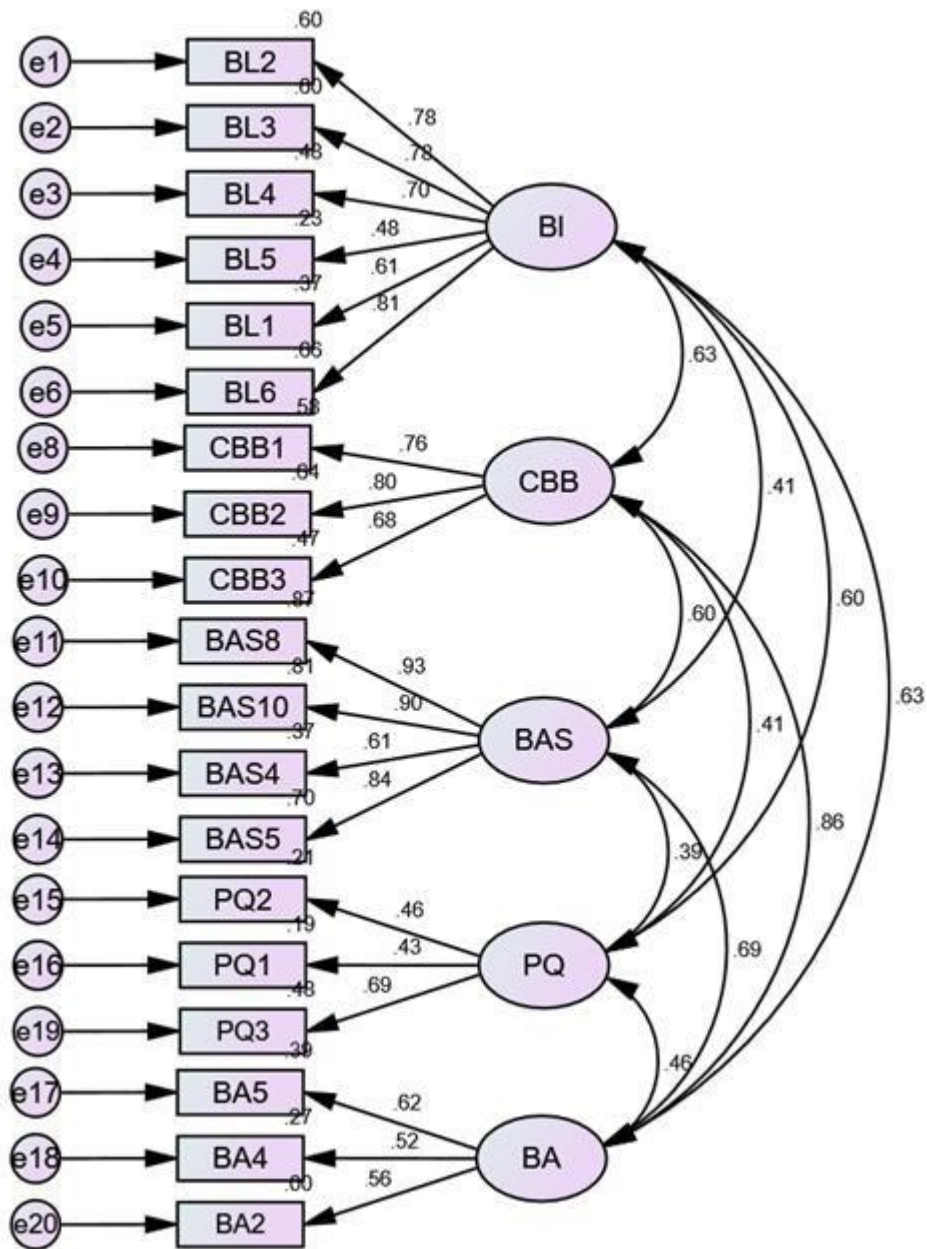


Figure 4. 5 Confirmatory Factor Analysis for Study Variables

The CFA fit statistics of the overall measurement model for study variables was then extracted as shown in Table 4.14. The CFA model fit the data adequately since the fit indices were within an acceptable range (Gold et al., 2001).

Table 4. 14 Measurement Model Fits

Measure	Estimate	Threshold	Interpretation
CMIN	290.674	--	--
DF	142	--	--
CMIN/DF	2.047	Between 1 and 3	Excellent
CFI	0.895	>0.95	Acceptable
SRMR	0.091	<0.08	Acceptable
RMSEA	0.076	<0.06	Acceptable
PClose	0.049	>0.05	Acceptable

4.6.2.1 Construct Reliability

Construct reliability was assessed by computing the composite reliability and the Cronbach alpha of the constructs. The Cronbach alphas were all above the 0.6 threshold as specified for PLS analysis (Hair et al., 2006). Composite reliability of reflective items were all above the acceptable 0.7 threshold which means all the variables in the study exhibited construct reliability as indicated in table 4.15.

Table 4. 15 Reliability of Constructs

Construct	Number of items	Composite Reliability > 0.7	Cronbach's Alpha > 0.6
Brand loyalty	6	0.85	0.836
Consumer buying behavior	3	0.788	0.789
Brand Association	4	0.772	0.891
Perceived quality	3	0.751	0.728
Brand Awareness	3	0.711	0.712

4.6.3 Convergent Validity

Convergent validity was assessed using average variance extracted (AVE). Table 4.16 indicates that AVE of all constructs were above the 0.5 threshold indicating that the latent constructs account for at least fifty percent of the variance in the items. This indicates that the measurement scales exhibited adequate measurement validity (Hair et al., 2006).

4.6.4 Discriminant Validity

In correlation matrix table 4.16, the diagonal elements in bold are the square root of the average variance extracted (AVE) of all the latent constructs. The discriminant validity is assumed if the diagonal elements are higher than other off-diagonal elements in their rows and columns (Compeau, Higgins, & Huff, 1999). Discriminant validity was confirmed for the measurement model.

Table 4. 16 Correlation Matrix

	AVE	Brand loyalty	Consumer buying behavior	Brand Association	Perceived quality	Brand Awareness
Brand loyalty	0.529	0.727				
Consumer buying behavior	0.487	0.649***	0.74			
Brand Association	0.516	0.410***	0.605***	0.718		
Perceived quality	0.508	0.609***	0.407**	0.406**	0.713	
Brand Awareness	0.537	0.692***	0.487**	0.474**	0.420**	0.733

** p < 0.010,*** p < 0.001

Structural Model Estimation

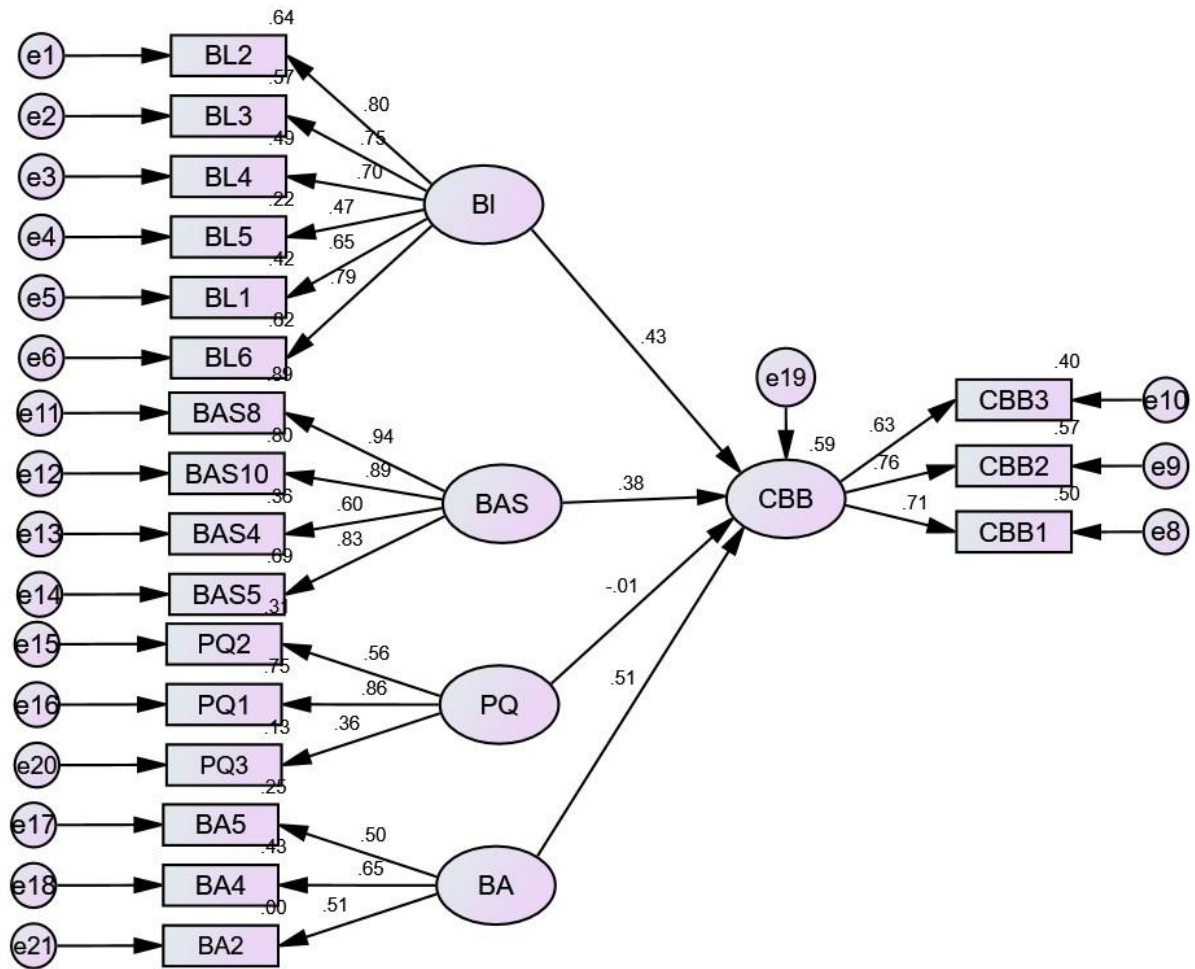


Figure 4. 6 Structural Model for Study Variables

The structural model fit statistics of the overall structural model for study variables was then extracted as shown in table 4.17. The structural model fit the data adequately since the fit indices were within an acceptable range (Gold et al., 2001).

Table 4. 17 Model fits for Structural Model

Measure	Estimate	Threshold	Interpretation
CMIN	256.372	--	--
DF	125	--	--
CMIN/DF	2.051	Between 1 and 3	Excellent
CFI	0.904	>0.95	Acceptable
SRMR	0.094	<0.08	Acceptable
RMSEA	0.079	<0.06	Acceptable
PClose	0.050	>0.05	Acceptable

4.6.5 Path Coefficients

Table 4. 18 Path coefficients

Paths	unstandardized Estimate	Standardized Estimate	S.E.	T values	P values
CBB <- BL	0.417	0.431	0.105	3.963	***
CBB <- BAS	0.197	0.378	0.052	3.78	***
CBB <- PQ	-0.022	-0.014	0.165	-0.136	0.892
CBB <- BA	0.598	0.508	0.218	2.742	0.006

*** P< 0.001

4.6.5.1 Brand Loyalty on Consumer buyer behavior

Brand loyalty was found to have a positive and statistically significant relationship with Consumer buyer behavior. The path coefficient was positive and significant at the 0.05 level ($\beta=0.417$, T-value =3.963 $p<0.05$) as indicated in table 4.18 and figure 4.6. The positive relationship means if, brand loyalty increases by 1, Consumer buyer behavior of the respondents will increase by 0.417.

4.6.5.2 Brand Association on Consumer buyer behavior

Brand association was found to have a positive and statistically significant relationship with Consumer buyer behavior. The path coefficient was positive and significant at the 0.05 level ($\beta=0.197$, T-value =3.780 $p<0.05$) as indicated in table 4.18 and figure 4.6. The positive relationship means if, brand association increases by 1, Consumer buyer behavior of the respondents will increase by 0.197.

4.6.5.3 Perceived Quality on Consumer buyer behavior

Perceived quality was found to have a non-statistically significant relationship with Consumer buyer behavior.

4.6.5.4 Brand Awareness on Consumer buyer behavior

Brand awareness was found to have a positive and statistically significant relationship with Consumer buyer behavior. The path coefficient was positive and significant at the 0.05 level ($\beta=0.598$, T-value =2.742 $p<0.05$) as indicated in table 4.18 and figure 4.6. The positive relationship means if, brand awareness increases by 1, Consumer buyer behavior of the respondents will increase by 0.598.

4.7 Predictive Relevance of the Model

The quality of the structural model can be assessed by R^2 which shows the variance in the endogenous variable that is explained by the exogenous variables. Based on the results reported in figure 4.6, the R^2 was found to be 0.59 indicating that perceived quality, brand awareness, brand association and brand loyalty taking can account for 59% of the variance in the consumer buyer behavior.

4.8 Summary

This chapter has highlighted results and findings. The next chapter will discuss the findings, Conclusions and recommendations.

CHAPTER FIVE

5.0 SUMMARY, DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This section brings forth the discussion with regard to the findings established from the impact of brand equity on consumer buyer behavior of smartphones. The findings are guided by the specific research questions. Conclusion will be drawn and recommendations for further studies highlighted.

5.2 Summary

Earlier studies on brand equity's impact on consumer buyer behavior have shown contradicting findings. In addition, studies on brand equity in Kenya have not specifically focused on the smartphone industry. Therefore, this current study sought to establish the impact of brand equity on consumer buyer behavior, and analyzed the strength of each of the dimensions of brand equity on the consumer buyer behavior of millennials in the smartphone industry in Kenya.

The study was guided by the following research questions; To what extent does brand awareness influence consumer buyer behavior of smartphones among millennials? To what extent does brand association influence consumer buyer behavior of smartphones among millennials? To what extent does perceived quality influence consumer buyer behavior of smartphones among millennials? To what extent does brand loyalty influence consumer buyer behavior of smartphones among millennials?

A cross-sectional descriptive research design was employed in conducting this study and addressed the questions posed above. The study population consisted of 763 MBA students. A sample size of 153 MBA students was derived, however only 115 responded resulting in a 75.2% response rate. The collected data was analyzed using descriptive statistics as well as correlation and regression analysis. Descriptive statistics was used to describe and summarize the data, whereas correlation and regression analysis was applied to determine the relationship between the dependent and independent variables, that is, the dimensions of brand equity and consumer buyer behavior.

From the analysis, brand loyalty was found to have a positive and statistically significant relationship with Consumer buyer behavior. The path coefficient was positive and significant at the 0.05 level ($\beta=0.417$, T-value =3.963 $p<0.05$). The positive relationship

means if, brand loyalty increases by 1, Consumer buyer behavior of the respondents will increase by 0.417. Brand association was found to have a positive and statistically significant relationship with

Consumer buyer behavior. The path coefficient was positive and significant at the 0.05 level ($\beta=0.197$, T-value =3.780 $p<0.05$). The positive relationship means if, brand association increases by 1, Consumer buyer behavior of the respondents will increase by 0.197. Perceived quality was found to have a non-statistically significant relationship with Consumer buyer behavior. Brand awareness was found to have a positive and statistically significant relationship with Consumer buyer behavior. The path coefficient was positive and significant at the 0.05 level ($\beta=0.598$, T-value =2.742 $p<0.05$). The positive relationship means if, brand awareness increases by 1, Consumer buyer behavior of the respondents will increase by 0.598.

In regression analysis, the R^2 value which indicated a 59% variance in consumer buyer behavior of smartphones among millennials is explained by factors of perceived quality, brand awareness, brand association and brand loyalty. Therefore, suggesting that other factors not included in this study contributed to 41% of the variation in the consumer buyer behavior of smartphones among millennials.

5.3 Discussion

5.3.1 Brand Awareness in Consumer Buyer Behavior of Smartphones among Millennials

Masika (2013) referred to brand awareness as the degree of consumers' familiarity with a brand. relates it to the strength of the brand in memory as reflected by consumers' ability to identify the brand in different situations. Whereas Keller (2013) conceptualized brand awareness as comprising of brand recall and brand recognition. He argued that brand recognition may be more important when product decisions are made in the store and no one buys what they do not know. Masika pointed out that brand attitude and intention to purchase a product can only be developed through brand awareness. To this end, the findings revealed that brand awareness has a positive and statistically significant relationship with consumer buyer behavior of smartphones among millennials.

Most respondents affirmed that brand awareness was a primary factor in their decision making process as 88% of the respondents agreed that they would only buy a smartphone from a brand that is well known to them, 24% agreed that they would be willing to buy a

smartphone from a brand they have no knowledge about, 86% agreed that they typically buy a smartphone from a brand that they can quickly recognize among competing brands, 85% agreed that before purchase, they could quickly recall the symbol/logo of their current smartphone and 81% agreed that if they could buy a new smartphone today, they would most likely purchase the brand that first comes to mind.

The findings concurred with Aaker (2010) who stated that there are various levels of brand awareness. The lowest level is brand recognition and reflects familiarity, a manner of aided recall. The next level is brand recall, a manner of unaided recall and reflects awareness of a brand when its product class is mentioned. The first named brand that comes to mind in an unaided recall test is called 'top-of-mind. That is, the brand has the strongest position in the respondent's mind. Djerv and Malla (2012) believed that a consumer's top-of-mind awareness of a brand is influenced by the consumer's experience of the brand. Past experiences might include: previous purchase, brand presence in various contact points such as advertising, media, press, social media, in-store experience, product placements, as well as what family and friends' perceptions of the brand are and their expressed opinions of it. Whereas Peter and Olsson (2008) argued that spontaneous awareness is more desirable than prompted awareness, as it means the brand is top-of-mind.

Furthermore, the literature greatly accepts these findings as reflected in the study conducted by Masika (2013) which established that brand awareness had the most powerful influence on consumers purchase decisions. Lin and Chang (2003) study as cited in Masika, also examined the importance of brand awareness in consumers' decision making process and found out that brand awareness was a primary factor. To this end, Koniewski (2012) noted that employing brand awareness as a shopping guide is a strategy applied by consumers to save time and effort which, when dealing with an unknown brand, they would devote to comparing the products in relation to other attributes, such as quality, packaging and price. Brand awareness may be therefore interpreted as cognitive simplification. Relying on brand awareness is often a frequent tactical decision made when buying a product for the first time.

The findings were also in line with Koniewski who noted that brand awareness has a stronger impact on the subsequent purchasing choices, if the product once tried out fulfilled the consumer's expectations. Brand awareness can therefore be seen to affect decisions about brands as well as influence the formation and strength of brand associations.

5.3.2 Brand Association in Consumer Buyer Behavior of Smartphones among Millennials

The findings revealed that brand association has a positive and statistically significant relationship with consumer buyer behavior of smartphones among millennials. Djerv and Malla (2012) pointed out that cognitive psychologists believe that memory is extremely durable, so when information is stored, it decays very slowly. Still being available in memory, does not necessarily imply being accessible and retrieved, not without strong associations and retrieval cues (Aaker, 2010). So, the larger the number of cues linked to a piece of information, the greater the likelihood that the information can be recalled. Additionally, Mohan (2014) found that brand associations could be influenced by information on objective attributes such as price and physical traits. Previous research has also shown that the differentiation, favorability and the strength of associations are important parts of brand knowledge, and this in turn is an essential source of customer-based brand equity (Keller, 2013).

To this end, Chen *et al.* (2013) proposed measuring brand functions through the dimensions of guarantee, personal identification, social identification and status. The guarantee function is based on the appraisal that the brand is reliable, efficiently carries out its performance qualities and meets the generated expectations. The findings support this function as 91% of the respondents agreed that they would only consider buying a smartphone from a credible brand, 98% agreed that they are more likely to buy a smartphone from a brand that is highly reliable and strives to continuously improve the performance qualities of its devices. It is therefore fitting to associate this function with the perception that the brand is linked to products with a suitable level of performance and is concerned about conveniently satisfying consumer needs, contributing variety and innovation (Mohan, 2014).

The personal identification function is related to the fact that consumers can identify themselves with some brands and develop feelings of affinity towards them. In line with this function, the findings revealed that 81% of the respondents agreed that they are more likely to buy a smartphone from a brand that reflects their individual personality (e.g. practical, flamboyant). In the literature on brand influence, a basic theory refers to the congruence between the consumer's behavior, his self-image and the product image. Chen *et al.* (2013) stated that this theory is based on the idea that individuals can enrich their self-

image through the images of the brands they buy and use. In this way, the theory upholds that the greater the consistency between the brand image and the consumer's self-image, the better the consumer's evaluation of a brand and the greater his intention to buy it.

The social identification function is based on the brand's ability to act as a communication instrument allowing the consumer manifesting the desire to be integrated or, on the contrary, to dissociate himself from the groups of individuals that make up his closest social environment (those people with whom he currently interacts or aspires to do so). Consumers interested in this function will positively value those brands that enjoy a good reputation among the groups with which they belong to or aspire to form part of. The findings concurred with this literature, as 89% of the respondents agreed that they are more likely to buy a smartphone from a brand that is known to have a good reputation, whereas 81% agreed that they are more likely to buy a smartphone from a brand that is known to be a market leader.

The status function expresses the feelings of admiration and prestige that the consumer may experience upon using the brand (Chen *et al.*, 2013). Chen suggested the status function corresponds to the individual's desire to achieve prestige and recognition from others, without this necessarily meaning that the brand is representative of their social group. Therefore, the status could even impede the individual's identification with certain social groups. However, the findings revealed that only 63% of the respondents agreed that they are more likely to buy a smartphone from a brand that could possibly improve the way they are perceived by their peers, whereas only 59% agreed that they are more likely to buy a smartphone that is viewed by society as a status symbol.

5.3.3 Perceived Quality in Consumer Buyer Behavior of Smartphones among Millennials

Despite the descriptive statistics revealing that 96% of the respondents would only consider buying a smartphone with excellent features, 89% agreed that before making a purchase, they compare and contrast the various brands of smartphones and would typically buy the one exhibiting superior characteristics, 86% agreed that they tend to buy smartphones from a brand which is known to have a brand image of being among the best in the sector and 91% agreed that they are more likely to buy a smartphone from a brand that is known to manufacture smartphones of very good quality; the path coefficient revealed that perceived quality had a non-statistically significant with consumer buyer behavior. These findings are

however, contrary to the literature whereby Yee and San (2011) viewed perceived quality as a critical element for consumer decision making.

According to Mohan (2014), perceived quality is directly related to the reputation of the firm that manufactures the product. It is used as a key factor by many firms to create their competitive advantage in their relative industry. Schiffman, Kanuk and Wisenblit (2010) pointed out that perceived quality is not the actual quality of the brands or products, rather, it is the consumers' judgment about an entity's overall excellence or superiority. However, contrary to the findings, Kotler and Armstrong (2014) believed that perceived quality has direct impact on consumers' purchase decision and brand loyalty, especially during the time customers have little or no information of the products that they are going to purchase, and is neither motivated nor able to conduct a detailed analysis.

Strizhakova, Coulter, and Price (2011) developed two models with two specific mediating variables namely brand and self-identity brand signal to identify the brand preferences of consumers. They found that consumers in both developed and developing countries prefer global brands owing to higher quality. This is in the view of the fact that if a brand is perceived as globally available, brand quality is thought to be internationally accepted. Therefore, consumers perceive higher quality of global brands. Additionally, Strizhakova *et al.*, found that global brands even appeal more so to local consumers owing to higher perceived quality and prestige, as reflected in the descriptive statistics findings.

It is believed that consumers often judge the quality of a product based on a variety of informational cues: intrinsic or extrinsic, that they associate with the product. As defined by Schiffman *et al.* (2010), cues that are intrinsic concern physical characteristics of the products itself, such as product's performance, features, reliability, conformance, durability, serviceability and aesthetics. On the other hand, extrinsic attributes are the cues that are external to the product itself, such as price, brand name, brand image, company reputation, manufacturer's image, retail store image and the country of origin. Therefore, the subjective judgment of quality may be affected by personal product experiences, unique requests, and consumption situations, whereas the long-term experience with a brand makes consumers recognize the advantages and differentiation of the brand (Aure & Nervik, 2014). However, Masika (2013) pointed out that perceived quality cannot necessarily be objectively determined, in part, because it is a perception and also because judgments about

what is important to customers is involved, as customers differ in their personalities, needs and preferences. Thus, possibly contributing to the contradicting findings.

5.3.4 Brand Loyalty in Consumer Buyer Behavior of Smartphones among Millennials

The findings revealed that brand loyalty has a positive and statistically significant relationship with consumer buyer behavior of smartphones among millennials. According to Schiffman *et al.* (2010), behavioral scientists who favor the theory of instrumental conditioning believe that brand loyalty results from an initial product trial that is reinforced through satisfaction, leading to repeat purchase. Cognitive researchers, on the other hand, emphasized the role of mental processes in building brand loyalty (Masika, 2013). They believed that consumers engage in extensive problem solving behavior involving brand and attribute comparisons, leading to a strong brand preference and repeat purchase behavior. Therefore, brand loyalty can be classified as the synergy among attitudinal components as perceived product superiority, customer satisfaction, and the purchase behavior itself.

An integrated conceptual framework by Schiffman *et al.* (2010) viewed consumer loyalty as the function of three groups of factors, namely: personal degree of risk aversion or variety seeking, the brand's reputation and availability of substitute brands and social group influences and peers' recommendations. These influences produce four types of loyalty. Firstly, no loyalty: no purchase at all and no cognitive attachment to the brand. Secondly, covetous loyalty: no purchase but strong attachment and predisposition toward the brand that was developed from the person's social environment. Thirdly, inertia loyalty: purchasing the brand because of habit and convenience but without any emotional attachment to the brand. Finally, premium loyalty: high attachment to the brand and high repeat purchase.

Schiffman believed that there exists a correlation between consumer involvement and the cognitive and behavioral dimensions of brand loyalty. Due to social perceptions regarding the importance of a smartphone, and the symbolism of a particular smartphone brand, for example, an iPhone, as representing prestige and achievement, consumers may become involved with and attached to the brand without purchasing it (covetous loyalty), but may purchase the brand when they have the money to do so. Low involvement leads to exposure and brand awareness and then to brand habit (inertia loyalty). Consumers operating in this condition perceive little differentiation among brands and buy the brand repeatedly due to

familiarity and convenience. Aure and Nervik (2014) stated that on the other hand, premium loyalty represents truly brandloyal consumers who have a strong commitment to the brand, are less likely to switch to other brands in spite of persuasive promotional efforts of competitors, and may even go out of their way to obtain the strongly preferred brand.

To this end, the results support the literature as, 94% of the respondents agreed that they are more likely to buy a smartphone from a brand that they believe to offer value for money, 93% agreed that they are more likely to buy a smartphone from a brand that they believe does not disappoint its customers, 93% agreed that they are more likely to buy a smartphone from a brand that they would be willing to recommend to their friends, 86% agreed that they are more likely to buy a smartphone from a brand that they take a keen interest in, 87% agreed that they are more likely to buy a smartphone from a brand that is, on a regular basis, typically their first choice, 81% agreed that they are more likely to buy a smartphone from a brand that they would be willing to pay a premium price for.

5.4 Conclusion

5.4.1 Brand Awareness in Consumer Buyer Behavior of Smartphones among Millennials

Brand awareness plays an important role in consumer decision-making process in general, and subsequently can be concluded to apply in the context of smartphone purchase. It increases the likelihood of a brand being a member of the consideration set, that is, a collection of brands to choose from. Furthermore, it has been shown that consumers adopt a decision rule to buy familiar brands. Brand awareness can therefore be seen to affect decisions about brands in the consideration set. Fundamentally, high levels of brand awareness increase the probability of brand choice among millennials, produce greater consumer and retailer loyalty, decrease vulnerability to competitive marketing actions and influences the formation and strength of brand associations.

5.4.2 Brand Association in Consumer Buyer Behavior of Smartphones among Millennials

For smartphones, brand associations can be represented by the functional and experiential attributes offered by the specific brand. Consumers, more specifically millennials associate smartphones with attributes such as high technology, innovativeness, sophistication, distinctiveness, excellence and prestige. The combination of tangible and intangible

attributes creates a brand identity, that is, a unique set of brand associations that the brand strategist aspires to create or maintain, which drives brand associations. Therefore, the identity of the specific smartphone brand impacts brand associations and ultimately sales.

5.4.3 Perceived quality in consumer buyer behavior of smartphones among millennials

Perceived product quality can be significantly different from the actual manufacturing quality of products, such that, although the actual quality of products is good, it is possible that the products may be perceived negatively. Therefore, smartphone companies should not only ignore the concept of perceived quality concept but also ensure that the consumer perceptions of quality match actual quality. However, despite popular belief that perceived quality of smartphones may drive consumers to choose a certain brand over another competing brand which eventually will lead to an increase in brand equity, this line of thought does not necessarily apply to millennials.

5.4.4 Brand Loyalty in Consumer Buyer Behavior of Smartphones among Millennials

Brand loyalty can be seen to be formed through brand trust, commitment, satisfaction, perceived value, image, association and quality. Therefore, when a firm succeeds in establishing loyalty amongst its customers it adds value to the brand and creates strong brand affiliation, reduces marketing expenditure and influences other potential customers through positive word-of-mouth. Furthermore, customers, particularly millennials who tend to be loyal towards a brand are those with high experience and involvement levels with that particular smartphone brand, as brand loyalty cannot exist without prior purchase and use experience.

5.5 Recommendations

5.5.1 Recommendations for Improvement

5.5.1.1 Brand Awareness in Consumer Buyer Behavior of Smartphones among Millennials

As it has been observed that a positive increase in brand awareness in turn positively affects the consumer buyer behavior among millennials, smartphones companies therefore need to ensure that they not only sustain brand recognition and brand recall levels of brand

awareness, but also strive to ultimately achieve top of mind awareness in the minds of their consumers.

5.5.1.2 Brand Association in Consumer Buyer Behavior of Smartphones among Millennials

Smartphone companies need to ensure that they consistently maintain an identity that their consumers can, at any given point, link to positive cues such as credibility for instance.

5.5.1.3 Perceived Quality in Consumer Buyer Behavior of Smartphones among Millennials

Despite the subjective nature of perceived quality, smartphone companies still need to ensure that they not only sustain but exceed the expectations of what their consumers deem to be as of a ‘high quality’.

5.5.1.4 Brand Loyalty in Consumer Buyer Behavior of Smartphones among Millennials

From the study, it has been inferred that brand loyalty cannot exist without prior purchase and use experience. Therefore, smartphone companies need to ensure that their devices have the capability to deliver experiences that shape the consumer’s attitude of the brand, ultimately leading to loyalty to the brand.

5.5.2 Recommendations for Further Research

This study was generalized to the smartphone industry; however, it is recommended that in future research, the study should narrow down the scope and focus on a specific smartphone brand with an aim to provide relevant insights that could possibly prove beneficial to that particular smartphone company. Future research can also be done to measure factors other than brand equity that may influence consumer buyer behavior of smartphones so as to gain a more holistic understanding of the concept.

REFERENCES

- Aaker, D. A. (2010). *Building strong brands*. New York, NY: Free Press
- Akhtar, N., Ul-ain, Q., Siddiqi, U., Ashraf, A., & Latif, M. (2016). Impact of a brand equity on consumer purchase decision in L'Oréal skincare products. *Journal of International Review of Management and Business Research*, 5(2), 808-816.
- Andai, J. (2016). Influence of brand equity on consumer purchase choices among pay TV subscribers in Nairobi, Kenya. Unpublished MBA Project, University of Nairobi.
- Anderson, J. C., & Gerbing, D. W. (1988). Structural equation modeling in practice: A review and recommended two-step approach. *Psychological Bulletin*, 103(3), 411-423.
- Aure, K.G., & Nervik, K.D. (2014). Building strong brands; A quantitative study of brand equity. Unpublished MBA Project, Aalesund University College.
- Brahmbhatt, K. (2015). Categorization of brand associations: An attitude functional approach. Unpublished Doctoral Thesis, MICA Institute.
- Burns, A.C., & Bush, R.F. (2010). *Marketing research* (6th ed.). Upper Saddle River, NJ: Prentice Hall.
- Burton, H.W. (2012). Store loyalty: A relationship perspective. *Journal of Asia-Pacific Advances in Consumer Research*, 10, 293-295.
- Capelo, I. R. (2014). Millennials brand awareness. Unpublished MBA Project, Catholic University of Portugal.
- Cecere, G., Corrocher, N., & Battaglia, R.D. (2014). Innovation and competition in the smartphone industry: Is there a dominant design? *Journal of Telecommunications Policy*, 39(4), 162-175. doi: 10.1016/j.telpol.
- Chen, T.Y., Yeh, T.L., & Jheng, W.S. (2013). Factors influencing brand association. *African Journal of Business Management*, 7(19), 1914-1926.
- Communications Authority of Kenya. (2016). Kenya's Mobile penetration. Retrieved from the Communications Authority of Kenya website: <http://www.ca.go.ke>

- Compeau, D., Higgins, C. A., & Huff, S. (1999). Social cognitive theory and individual reactions to computing technology: A longitudinal study. *MIS Quarterly*, 145-158.
- Cunningham, E. (2008). *Structural Equation Modeling using AMOS 6.0*. Melbourne: Swinburn University of Technology.
- DelCampo, R.G., Haggerty, L.A., Meredith, J.H., & Knippel, L.A. (2012). *Managing the multi-generational workforce; From the GI generation to the millennials*. Burlington, NJ: Gower.
- Dhurup, M., Mafini, C., & Dumasi, T. (2014). The impact of packaging, price and brand awareness on brand loyalty: Evidence from the paint retailing industry. *Journal of Acta Commercii*, 14(1), 194-203. doi: 10.4102/ac.v14i1.194
- Djerv, S., & Malla, Z. (2012). A qualitative study of the drivers of brand preferences in the Swedish smartphone market. Unpublished MBA Project, University of Uppsala.
- Etikan, I., Musa, S.A., & Alkassim, R.K. (2015). Comparison of convenience sampling and purposive sampling. *American Journal of Theoretical and Applied Statistics*, 5(1), 1-4. doi: 10.11648/j.ajtas.20160501.11.
- Field, A. (2009). *Discovering Statistics using SPSS*. Thousand Oaks, CA: Sage Publications.
- Fouladivanda, F., Pashandi, M.A., Hooman, A., & Khanmohammadi, Z. (2013). The effect of brand equity on consumer buying behavior in term of FMCG in Iran. *Interdisciplinary Journal of Contemporary Research in Business*, 4(9), 945-957.
- Furrer, O., Liu, B.S., & Sudharshan, D. (2000). The relationships between culture and service quality perceptions: Basis for cross-cultural market segmentation and resource allocation. *Journal of Service Research*, 2(4), 355-371.
- Gold, A. H., Malhotra, A., & Segars, A. H. (2001). Knowledge management: An organizational capabilities perspective. *Journal of Management Information Systems*, 18(1), 185-214.
- Hair, J.F., Black, W.C., Babin, B.J., & Anderson, R.E. (2010). *Multivariate Data Analysis* (7th ed.). Upper Saddle River, New Jersey: Prentice Hall.

- Hair, J., Tatham, R. L., Anderson, R. E. & Black, W. (2006). *Multivariate Data Analysis*. (6th ed.). Upper Saddle River, NJ: Pearson Prentice-Hall.
- Hawkins, D.L., & Mothersbaugh, D.L. (2010). *Consumer buyer behavior: Building market strategy* (11th ed.). New York, NY: McGraw Hill.
- Huyen, N.T. (2014). The influence of perceived brand quality and perceived brand prestige on purchase likelihood of iPhone and HTC mobile phone in Taiwan. *Journal Research in Business and Management*, 1(1), 62-77.
- K'aol, G.O. (2015). *Research project handbook for masters degree research projects*.
- Kaiser, H.F. (1974). An index of factorial simplicity. *An Index of Factor Simplicity*, 39, 31-36.
- Keller, K. (2013). *Strategic brand management: Building, measuring and managing brand equity*. Upper Saddle River, NJ: Pearson.
- Khaniwale, M. (2015). Consumer buying behavior. *Journal of Innovation and Scientific Research*, 14(2), 278-286.
- Kline, R. B. (2005). *Principles and practice of structural equation modeling* (2nd ed.). New York: Guilford.
- Koniewski, M. (2012). *Brand awareness and customer loyalty*. Unpublished MBA Project, University of Sweden.
- Kotler, P., & Armstrong, G. (2014). *Principles of marketing*. New York, NY: Pearson.
- Lautiainen, T. (2015). Factors affecting consumer's buyer decision in the selection of a coffee brand. Unpublished MBA Project, Saimaa University of Applied Sciences.
- Lazarevic, V. 2012. Encouraging brand loyalty in fickle generation Y consumers. *Young Consumers: Insight and Ideas for Responsible Marketers*, 13 (1), 45-61.
- Masika, C. (2013). The influence of mobile marketing on brand equity; A case study of Safaricom Limited. Unpublished MBA Project, University of Nairobi.
- Mohan, A. (2014). Consumer behavior toward smartphone industry in Indian market. Unpublished MBA Project, Dublin Business School.

- Nowak, L., Thach, L. & Olsen, J. E. 2006. Wowing the millennials: creating brand equity in the wine industry. *Journal of Product & Brand Management*, 15(5), 316–323.
- Pallant, J. (2007). *SPSS survival manual* (3rd.). New York: McGraw Hill.
- Peter, J.P., & Olson, J.C. (2008). *Consumer behavior and marketing strategy*. New York, NY: McGraw Hill.
- Rio, B.D., Vazquez, R., & Iglesias, V. (2001). The effects of brand associations on consumer response. *Journal of Consumer Marketing*, 18(5), 410-425.
- Roy, R., & Chau, R. (2011). Consumer-based brand equity and status-seeking motivation for a global versus local brand. *Asia Pacific Journal of Marketing and Logistics*, 23(3), 270-284. doi: 10.1108/13555851111143213.
- Sarwar, M., & Soomro, T.R. (2013). Impact of smartphones on society. *European journal of scientific research*, 98(2), 216-226.
- Schiffman, L.G., Kanuk, L.L., & Wisenblit, J. (2010). *Consumer buyer behavior* (10th ed.). Upper Saddle River, NJ: Pearson.
- Stojanov, L. (2012). Perceived quality – An empirical testing of marketing theories: A case study on the imported baby foods market in Bulgaria. Unpublished MBA Thesis, Aalto University.
- Strizhakova, Y., Coulter, R.A., & Price, L.L. (2011). Branding in a global marketplace: the mediating effects of quality and self-identity brand signals. *International Journal of Research in Marketing*, 28(4), 343-351. doi: 10.1016/j.ijresmar.2011.05.007.
- United States International University – Africa. Retrieved from the United States International University – Africa Website: <http://www.usiu.ac.ke/>
- Zeithaml, V.A. (1988). Consumer perceptions of price, quality and value: A means-end model and synthesis of evidence. *Journal of Marketing*, 50, 2-22.

APPENDIX I: QUESTIONNAIRE

Impact of Brand Equity on Consumer Buyer Behavior of Smartphones among Millennials: A Case Study of the United States International University

The following questionnaire is divided into six sections for ease of administration and will require approximately five to seven minutes to complete. To ensure that all information remains confidential, please do not include your name. If you choose to participate in this exercise, please answer all questions as honestly as possible and provide as much details as possible to enhance the survey quality. Participation is strictly voluntary and you may refuse to participate at any time.

SECTION 1: GENERAL INFORMATION

Please tick ONE appropriate box below

1. Gender: Male[] Female[]

2. Age: 20-25 Years[] 26-30 Years[] 31-35 Years[]

3. MBA Concentration: Marketing[] Strategic management[] Finance[]
Entrepreneurship[] Human resource[] Double concentration[]

4. Do you own a smartphone: Yes [] No []

5. If Yes, please specify the brand: Apple [] Samsung [] Tecno[]
Infinix[]
LG[] Other[]specify.....

6. Average income per month (in ksh):
[] 0 – 40,000 [] 40,001 – 80,000 [] 80,001 – 120,000 [] Over 120,000

SECTION 2: BRAND AWARENESS

Please indicate the extent to which you agree or disagree with the following statements by circling the relevant number. (1=Strongly Disagree, 2=Disagree, 3= Neutral 4=Agree, 5=Strongly Agree).

No.	Brand Awareness	1	2	3	4	5
BA 1	I would only buy a smartphone from a brand that is well known to me.	1	2	3	4	5
BA 2	I would be willing to buy a smartphone from a brand I have no knowledge about.	1	2	3	4	5
BA 3	I typically buy a smartphone from a brand that I can quickly recognize among competing brands.	1	2	3	4	5
BA 4	Before purchase, I could quickly recall the symbol/logo of my current smartphone.	1	2	3	4	5
BA 5	If I could buy a new smartphone today, I would most likely purchase the brand that first comes to mind.	1	2	3	4	5

SECTION 3: PERCEIVED QUALITY

Please indicate the extent to which you agree or disagree with the following statements by circling the relevant number. (1=Strongly Disagree, 2=Disagree, 3= Neutral 4=Agree, 5=Strongly Agree).

No.	Perceived Quality	1	2	3	4	5
PQ 1	I would only consider buying a smartphone with excellent features.	1	2	3	4	5
PQ 2	Before making a purchase, I compare and contrast the various brands of smartphones and would typically buy the one exhibiting superior characteristics.	1	2	3	4	5
PQ 3	I tend to buy smartphones from a brand which is known to have a brand image of being among the best in the sector.	1	2	3	4	5

PQ 4	I am more likely to buy a smartphone from a brand that is known to manufacture smartphones of very good quality.	1	2	3	4	5
-------------	--	----------	----------	----------	----------	----------

SECTION 4: BRAND LOYALTY

Please indicate the extent to which you agree or disagree with the following statements by circling the relevant number. (1=Strongly Disagree, 2=Disagree, 3= Neutral 4=Agree, 5=Strongly Agree).

No.	Brand Loyalty	1	2	3	4	5
BL 1	I am more likely to buy a smartphone from a brand that I believe to offer value for money.	1	2	3	4	5
BL 2	I am more likely to buy a smartphone from a brand that I believe does not disappoint its customers.	1	2	3	4	5
BL 3	I am more likely to buy a smartphone from a brand that I would be willing to recommend to my friends.	1	2	3	4	5
BL 4	I am more likely to buy a smartphone from a brand that I take a keen interest in.	1	2	3	4	5
BL 5	I am more likely to buy a smartphone from a brand that is, on a regular basis, typically my first choice.	1	2	3	4	5
BL 6	I am more likely to buy a smartphone from a brand that I would be willing to pay a premium price for.	1	2	3	4	5

SECTION 5: BRAND ASSOCIATION

Please indicate the extent to which you agree or disagree with the following statements by circling the relevant number. (1=Strongly Disagree, 2=Disagree, 3= Neutral 4=Agree, 5=Strongly Agree).

No.	Brand Association	1	2	3	4	5
BAS 1	I would only consider buying a smartphone from a credible brand.	1	2	3	4	5
BAS 2	I am more likely to buy a smartphone from a brand that is highly reliable and strives to continuously improve the performance qualities of its devices.	1	2	3	4	5

BAS 3	I tend to buy smartphones from brands that I feel are appealing and favorable.	1	2	3	4	5
BAS 4	I am more likely to buy a smartphone from a brand that reflects my individual personality (e.g. practical, flamboyant).	1	2	3	4	5
BAS 5	I am more likely to buy a smartphone that is in fashion.	1	2	3	4	5
BAS 6	I am more likely to buy a smartphone from a brand that is known to have a good reputation.	1	2	3	4	5
BAS 7	I am more likely to buy a smartphone from a brand that is known to be a market leader.	1	2	3	4	5
BAS 8	I am more likely to buy a smartphone from a brand that could possibly improve the way I am perceived by my peers.	1	2	3	4	5
BAS 9	I am more likely to buy a smartphone from a brand that I would be proud of associating with.	1	2	3	4	5
BAS 10	I am more likely to buy a smartphone that is viewed by society as a status symbol.	1	2	3	4	5

SECTION 6: CONSUMER BUYER BEHAVIOR

Please indicate the extent to which you agree or disagree with the following statements by circling the relevant number. (1=Strongly Disagree, 2=Disagree, 3= Neutral 4=Agree, 5=Strongly Agree).

No.	Consumer Buyer Behavior	1	2	3	4	5
CBB 1	I would be willing to pay a premium price for a smartphone from my brand of choice.	1	2	3	4	5
CBB 2	I would be willing to recommend to others a smartphone from my brand of choice.	1	2	3	4	5
CBB 3	If my brand of choice was to sell products other than smartphones, I would probably buy them.	1	2	3	4	5