INFLUENCE OF BRAND EQUITY ON CONSUMER PURCHASE DECISION OF ALCOHOLIC BEVERAGES IN NAIROBI

BY

BARMASAI FELIX KIPRONO

UNITED STATES INTERNATIONAL UNIVERSITY - AFRICA

SPRING 2019
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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

SPRING 2019
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: ________________

Barmasai Felix Kiprono (ID 642058)

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

Signed: __________________________          Date: ________________

Dr. Peter Kiriri

Signed: __________________________          Date: ________________

Dean, Chandaria School of Business
ABSTRACT

The general objective of this research study was to determine the influence of brand equity on consumer purchase decision of alcoholic beverages in Nairobi. Specific objectives of the study were; to determine the influence of brand loyalty on consumer purchase decision of alcoholic beverages in Nairobi; to determine the influence of perceived quality on consumer purchase decision of alcoholic beverages in Nairobi and to determine the influence of brand association on consumer purchase decision of alcoholic beverages in Nairobi.

A descriptive research design was adopted; specifically a cross-sectional study design was used. The population of interest in the study comprised of consumers of branded alcoholic beverages in Nairobi’s Kasarani district which was estimated at 84,100. The study employed a systematic sampling technique for its straightforward and conduciveness in covering a wide area. A sample size of 384 respondents was derived using a sample size determination table. Primary data was collected. Data collection was done using structured questionnaires that comprised of five sections. The study employed only close ended types of questions with a static response for consistency. The questionnaire adopted a five point Likert scale where responses were 1=strongly disagree, 2=disagree, 3=neutral, 4=agree and 5=strongly agree. Prior to actual data collection, a pilot study was conducted to establish the validity and reliability of the data which was confirmed using Cronbachs alpha test of reliability with all variables having alpha values > 0.7. The study’s response rate was established as 81.2%.

Collected data was analyzed by way of descriptive statistics which included frequencies, percentages and mean. Inferential statistics included correlation and regression analysis. Descriptive statistics was used to describe the features and to summarize the data. Correlation and regression analysis was used to determine the relationship between the dependent and independent variables i.e. three dimensions of brand equity and consumer purchase decision. The study employed the use of SPSS for factor analysis and structural equation modelling. Data presentation was done using tables and figures.
The findings revealed that brand loyalty had a positive and statistically significant relationship with consumer purchase decisions having standardized path coefficients of \( r (0.555); p \leq 0.05 \). The findings also revealed that brand perceived quality had a positive and statistically significant relationship with consumer purchase decisions having standardized path coefficients \( r (0.244); p \leq 0.05 \). However, findings for brand association indicated that it had a negligible negative relationship with consumer purchase decisions i.e. \( r (-0.168); p \leq 0.05 \). The R square value indicated that 50.3% of the variance in consumer purchase decision of alcoholic beverages in Nairobi could be explained by the three dimensions.

Firstly, it was concluded in the study that strong brand loyalty positively affected consumer purchase decisions since it increased the probability of a brand being considered by a consumer from a pool of other brands and decreased the vulnerability of consumers to a competitor’s promotion tactics thereby increasing sales. Furthermore, brand trust, consumer satisfaction and loyalty programs were established as key determinants of brand loyalty. Secondly, it was concluded that both actual and perceived quality were crucial determinants in consumer purchase decisions since having a favorable perceived quality meant that consumers were more likely to choose the company’s products over those of its competitors. Lastly, the study concluded that consumers relate more with brands portraying the same personality as theirs and that favorable brand images influence consumer purchase decisions since greater value is attached to brands perceived to have a unique brand image.

It was recommended that alcoholic beverage manufacturers should invest and engage in brand loyalty building activities with the main aim of achieving true brand loyalty by ensuring complete consumer satisfaction, building brand trust and offering loyalty programs to increase brand loyalty and ultimately reduce the vulnerability of a company. Marketers should also tailor their promotional messages so as to portray a personality that consumers can relate to thereby influencing their purchase decision of the brand. They also need to ensure that they consistently maintain an identity that their consumers can link to positive cues i.e. creating a brand identity.
ACKNOWLEDGMENT

My sincere and heartfelt gratitude goes to my supervisor, Dr. Peter Kiriri for his guidance and support throughout this research project, my family and friends for the moral support and for believing in me. I would also like to acknowledge my employer, for the financial support to cover the costs of my studies and finally, a special thanks to all who were involved in one way or another towards the completion of this research project.
# TABLE OF CONTENTS

STUDENT’S DECLARATION ........................................................................................................ ii
COPYRIGHT .............................................................................................................................. iii
ABSTRACT ................................................................................................................................. iv
ACKNOWLEDGMENT ............................................................................................................... vi
TABLE OF CONTENTS ........................................................................................................... vii
LIST OF TABLES ..................................................................................................................... x
LIST OF FIGURES .................................................................................................................... xi
ACRONYMS AND ABBREVIATIONS .................................................................................. xii

CHAPTER ONE ........................................................................................................................... 1
1.0 INTRODUCTION ............................................................................................................... 1
  1.1 Background of the Study ................................................................................................. 1
  1.3 General Objective ......................................................................................................... 5
  1.4 Specific Objectives ....................................................................................................... 5
  1.5 Significance of the Study ............................................................................................. 6
  1.6 Scope of the Study ....................................................................................................... 7
  1.8 Definition of Terms ..................................................................................................... 7
  1.9 Chapter Summary ....................................................................................................... 8

CHAPTER TWO ........................................................................................................................... 9
2.0 LITERATURE REVIEW ..................................................................................................... 9
  2.1 Introduction .................................................................................................................. 9
    2.2 Brand Loyalty and Consumer Purchase Decision ....................................................... 9
    2.3 Perceived Quality and Consumer Purchase Decision ............................................... 16
    2.4 Brand Associations and Consumer Purchase Decisions ........................................... 21
    2.5 Chapter Summary ..................................................................................................... 26
LIST OF TABLES

Table 4.1 Response Rate ............................................................................................................ 31
Table 4.2 Respondents Occupation ............................................................................................ 33
Table 4.3 Brand Preference ......................................................................................................... 34
Table 4.4 Consumption ................................................................................................................ 36
Table 4.5 Descriptives for Consumer Satisfaction ...................................................................... 37
Table 4.6 Descriptives for Brand Trust ....................................................................................... 38
Table 4.7 Descriptives for Loyalty Programs .............................................................................. 39
Table 4.8 Descriptives for Perceived Product Quality ............................................................... 40
Table 4.9 Descriptives for Brand Value ....................................................................................... 41
Table 4.10 Descriptives for Country of Origin .......................................................................... 42
Table 4.11 Descriptives for Brand Personality .......................................................................... 43
Table 4.12 Descriptives for Brand Image ................................................................................... 44
Table 4.13 Descriptives for Purchase Decision ........................................................................ 45
Table 4.14 KMO and Bartlett's Test ........................................................................................... 46
Table 4.15 Factor Loadings .......................................................................................................... 48
Table 4.16 Measurement Model Fits ........................................................................................ 49
Table 4.17 Reliability of Constructs .......................................................................................... 51
Table 4.18 Component Correlation Matrix ................................................................................ 52
Table 4.19 Structural Model Fit .................................................................................................. 52
Table 4.20 Path Coefficients ...................................................................................................... 54
LIST OF FIGURES

Figure 4.1 Gender of Respondents................................................................. 31
Figure 4.2 Age of Respondents.................................................................. 32
Figure 4.3 Education Levels ......................................................................... 32
Figure 4.4 Average Monthly Income........................................................... 33
Figure 4.5 Marital Status............................................................................... 34
Figure 4.6 Brand Origin................................................................................ 35
Figure 4.7 Brand Manufacturer/Distributor.................................................... 35
Figure 4.8 Scree Plot....................................................................................... 46
Figure 4.9 Measurement Model..................................................................... 50
Figure 4.10 Structural Model......................................................................... 53
### ACRONYMS AND ABBREVIATIONS

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>AIB</td>
<td>Africa Investment Bank</td>
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<tr>
<td>CFA</td>
<td>Confirmatory Factor Analysis</td>
</tr>
<tr>
<td>EABL</td>
<td>East African Breweries Limited</td>
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<tr>
<td>EFA</td>
<td>Exploratory Factor Analysis</td>
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<td>ICAP</td>
<td>International Center for Alcohol Policies</td>
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<td>KNBS</td>
<td>Kenya National Bureau of Statistics</td>
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<td>NACADA</td>
<td>National Authority for the Campaign against Alcohol and Drug Abuse</td>
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<tr>
<td>PCA</td>
<td>Principal Component Analysis</td>
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<td>SEM</td>
<td>Structural Equation Modelling</td>
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CHAPTER ONE

1.0 INTRODUCTION

1.1 Background of the Study

According to Jernigan (2012), the alcoholic beverage industry included producers, wholesalers and distributors, point-of-sale operator and hospitality providers such as hotels or cafes that serve alcohol. With a one billion liter increase in the amount of alcohol consumed in 2016, the global alcoholic beverages market was valued at $1,439 billion in 2017, and is expected to reach $1,684 billion by 2025, registering a compound annual growth rate of 2.0% from 2018 to 2025 (Allied Market Research, 2018). According to ICAP (2015), branded alcoholic beverages accounted for approximately 38% of recorded alcohol consumption world-wide. Additionally, the top ten producers accounted for 66% of the global market share for beer, 59% for spirits, and 16% for wine.

According to Caetano and Laranjeira (2006), economic growth in developing nations expands the local alcohol industry and makes developing nations targets of market expansion by the ever-growing transnational producers of alcoholic beverages. Jernigan (2012) asserts that producers of these alcoholic beverages tend to be large multinational corporations reliant on marketing for their survival. His study found that the globalized segment of the alcohol industry is large and concentrated in the hands of a relatively small number of companies, particularly in the case of beer and distilled spirits. Jernigan and Babor (2015) suggest that much of the African region is experiencing a rapid rise in consumption. Rising populations and income and the rapid pace of urbanization make Africa very attractive to the global alcohol industry, and industry leaders have identified Africa as a key area for growth.

Distilled spirits is the top investment pocket in the alcoholic beverages market, attributed to the boom in premium/super premium whiskey consumption and the demand shift from beer (Allied Market Research, 2018). According to Jernigan (2009), globalization in the alcoholic beverage industry has led to greater concentration of ownership and greater dependence on marketing. In recent years, Kenya has seen an influx of imported international brands of beer, wines and spirits imported and sold either through acquiring local industries or forming partnerships with distributors. The market also witnessed growth in sales of international brands, with Budweiser beer and Officer’s Choice
Whisky setting up shop in Kenya in 2016 to meet demand from the growing middle class (Euromonitor, 2018). All this while Kenyan owned alcoholic beverage manufacturers struggle with dwindling sales and reduced profits as consumers prefer global brands.

According to Caetano and Larangeira (2006), the market expansion of alcohol beverages in developing countries by international conglomerates is sometimes conducted by acquiring at least partial ownership of local industry. Aaker (2010) asserts that as industries turn increasingly hostile, it is clear that strong brand-building skills are needed to survive and prosper. According to Alamgir, Nasir, Shamsuddoha and Nedelea (2011), marketers have become extremely concerned about knowing how brand names influence the customer purchase decision. Why customers purchase a particular brand also implies how they decide what to buy. According to Laforet (2010), consumer’s dependence on brands is obvious and non-debatable since we live brands; from the clothes we dress in to the drinks we have, the food we eat and the cars we drive.

Cravens and Piercy (2013) assert that it is crucial for companies to find out their customer’s decision making process and to identify the conditions which customers apply while making purchase decisions. Chernatony and McDonald (2011) assert that successful brand building helps a firm’s profitability by adding value that entices customers to buy. A brand is therefore one of the most valuable assets of a company, so much so that many companies try to acquire them (Laforet, 2010). Branding is endowing products and services with the power of a brand (Kotler & Keller, 2016). Keller (2008) asserts that one of the most popular and potentially important marketing concepts to arise in the 1980’s was brand equity.

Aaker (1991) defined brand equity as a set of brand assets or liabilities that are linked to a brand and includes its name and symbol which add to or subtract from the value provided by a product or service to a firm and/or to that firm’s customers. He identified four dimensions of brand experience that led to positive brand equity which included perceived quality, brand loyalty, name awareness, and brand association. He asserts that the challenge is not only building brand equity to increase brand loyalty, but to sustain it while maintaining positive brand equity. According to Keller (2008), customer based brand equity occurs when the consumer has a high level of awareness and familiarity with a brand and holds some strong favorable and unique brand associations in memory.
Laforet (2010) asserts that brand equity is the appropriate measure for evaluating the long run impact of marketing decisions.

There has emerged the need to carry out research on the importance of brand building and hence brand equity to both the firm and its consumers and how it can be used as a marketing tool and a point of differentiation among the overly crowded liquor industry. The manufacturing sector in Kenya grew at 3.5% in 2016 and 3.2% in 2015, contributing 10.3% to gross domestic product (KNBS, 2017). Kenya’s manufacturing sector is one of the strongest among the other east African countries. It is expected that Kenya will be classified as a middle income country by 2020 up from its current status as a low income country. In Kenya, alcohol manufacturing is a subsector under the larger food and beverage industry, the fastest growing subsector in the manufacturing industry.

According to the KNBS (2017), the beverages sub-sector grew by 5.6 per cent in 2016 mainly driven by production of beer and spirits, which went up by 11.8 per cent and 3.8 per cent, respectively. The growth in beer production was attributed to a 90 per cent remission of excise duty for beer made from domestically grown sorghum, millet or cassava. However, exports of beer in 2016 reduced by half from 65,073.3 thousand liters to 32,564.0 thousand liters, indicating that most of the beer produced was consumed locally (EABL, 2017). Kenyan owned local alcoholic beverage manufacturers seem to have a tough time making significant gains in market share as EABL dominates both the premium and economy segments.

What the local industries seem to lack is positive brand equity and therefore alcohol lovers prefer to purchase from the “well-known” brands offered by East Africa Breweries Limited. Successful brand building helps profitability by adding value that entices customers to buy (De Chernatony & McDonald, 1994). A brand is therefore one of the most valuable assets of a company, so much so that many companies try to acquire them (Laforet, 2010). Brands vary in the amount of power and value they have in the marketplace. Brands are complex entities, but ultimately they reside in consumers’ minds (Tuominen, 1999).
1.2 Statement of the Problem

Building brand equity in this competitive environment is a very challenging and difficult task. According to Tanveer and Lodhi (2016), companies are now focused on meeting customers’ imminent desires by providing appropriate experiences. Aaker (2010) asserts that the brand building process is eroding, loyalty levels falling and price becoming more important despite the obvious value of brands. Kenya’s alcoholic beverage industry is worth billions of shillings. Not only does it contribute to the country’s gross domestic product but it also provides employment directly to thousands of people across Kenya as well as an important revenue source for government through taxes.

EABL was Kenya’s largest alcoholic beverage manufacturer and remained the leader in alcoholic drinks in 2017, due to its ability to cater for different consumer tastes and preferences and continued reinvention of its value chain to secure its bottom line (Euromonitor, 2018). According to its 2017 financial reports, it reported an upward movement of 9% in net sales from 64.32 billion shillings in 2016 to 70.25 billion shillings in 2017. It is controlled by Diageo Plc., the majority shareholder and the largest alcoholic beverage manufacturer in the world. According to Africa yield (2012), EABL had 80% market share of Kenya’s alcohol market. The market domination of East Africa Breweries Limited can be interpreted to mean that a majority of Kenyan alcohol consumers would prefer its product over other locally available brands. Multinational brands have dominated the Kenyan alcoholic beverage industry either by acquiring local established firms like Diageo did, or by partnering with local distributors.

According to AIB (2016), there has been increased demand for more premium beers and the shift in consumer sophistication towards the spirits portfolio. Thanks to an expanding middle class and hence more disposable incomes and a growing young population, Kenyan consumers of alcohol have become more demanding. This has resulted in increased imports of foreign beer, wine and spirit brands that have gained popularity over the years. Internationally, the topic of brand equity and its influence on consumer choice has been researched on although minimally. Porral, Bourgault and Dopico (2013) in their study aimed to analyze the sources and consequences of beverages’ Brand Equity, and more specifically, the beer Brand Equity in a Southern European mature market. They concluded that brand equity has received continuous attention from researchers and
marketing managers and there is great abundance of models and concepts related to brand equity, however there are few studies based on empirical data on the brewery sector. Kim, Yang and Chao (2016) also investigated the effect of brand equity and country origin on Korean consumers’ choice for beer brands.

Torres, Augusto and Lisboa (2015) concluded that the study of brand equity is regarded as one of the most critical issues in marketing research and the interrelations between brand equity dimensions was identified as a research gap. Locally, several studies have been conducted on the topic of brand equity and its influence on consumer purchase decisions. For example, Njuguna (2014) addressed the influence of brand equity on consumer choice in branded bottled water among supermarket customers in Nairobi central business district, Kenya. Asuma and Ndambuki (2015) focused on the influence of brand equity on the choice of marketing strategies by manufacturers of carbonated drinks in Kenya. Andai (2016) focused on the influence of brand equity on consumer purchase choices among pay TV subscribers in Nairobi, Kenya while Muigai (2017) focused on the impact of brand equity on consumer buyer behavior of smartphones among millennials: a case study of the United States international university.

Therefore even though there were several studies on the topic of brand equity, none of the research done locally had touched on the local alcohol beverage industry and therefore the need arose for research in this area. EABL managed to create positive brand equity by focusing on all its dimensions. In turn customers identified more with its products and hence the large market share in the beer and spirit segment. This study sought to uncover the influence of brand loyalty, perceived quality and brand associations on consumer purchase decision of alcoholic beverages in Nairobi. The findings were key in informing local alcoholic beverage manufacturers of the importance of creating positive brand equity.

1.3 General Objective
The objective of this research was to determine the influence of brand equity on consumer purchase decision of alcoholic beverages in Nairobi.

1.4 Specific Objectives

1.4.1 To determine the influence of brand loyalty on consumer purchase decision of alcoholic beverages in Nairobi.
1.4.3 To determine the influence of perceived quality on consumer purchase decision of alcoholic beverages in Nairobi.

1.4.4 To determine the influence of brand associations on consumer purchase decision of alcoholic beverages in Nairobi.

1.5 Significance of the Study

1.5.1 Alcoholic Beverage Manufacturers in Kenya
The findings of this research study were especially beneficial to the local alcohol manufacturers in Kenya. The growing demand for premium brands by Kenyan consumers thanks to an expanding middle class and an increase in disposable income means that consumers are willing to pay a higher price for a product deemed to be superior. It is becoming seemingly obvious that consumers of alcoholic beverages especially those in the middle income group buy brands rather than product. This explains the recent trends where global beer, wine and spirit brands are flooding the Kenyan market and getting a positive market reception. This study shed light on the importance of creating positive brand equity to the company and therefore how best it can achieve this through the four dimensions of brand equity.

1.5.2 The Government and Policy Makers
This research study’s findings will also be of significant importance to the government of Kenya. Food and beverages usually a domestically-oriented industry is the dominant manufacturing sector accounting for 40% to 70% of gross value addition. It is therefore imperative that the government should support the growth of the local alcohol manufacturing sector. The findings of this research will also be helpful to government bodies such as Brand Kenya Board which is tasked with identifying and refining the key attributes of Kenya that contribute positively to the country’s image and reputation. Its goal is to enhance these characteristics and create an authentic, credible brand for the country that establishes its uniqueness in the global arena. There is a need to work with Brand Kenya to better incorporate manufactured goods as a key part of the Kenyan brand.

1.5.3 Researchers
Brand equity is a broad marketing topic that has not been fully researched on. This research paper will therefore contribute to the existing literature on brand equity,
consumer behavior and knowledge on the alcoholic beverage industry. To researchers, the findings of this study will be key in guiding them through sequential studies on the topic of brand equity and its four dimensions into other sub-sectors or industries.

1.6 Scope of the Study
The study aimed to investigate the influence of brand equity on consumer purchase decision of alcoholic beverages in Nairobi. The target population consisted of consumers of branded alcoholic beverages in Nairobi’s Kasarani district. The study involved seven days of data collection from 50 alcoholic beverage retail outlets and 400 respondents between the dates of April 21st to April 28th of 2019.

The study challenges included some respondent reluctance to indicate their level of income which was mitigated by assuring the respondents confidentiality and that the data was to be used for academic purposes only. To maximize the response rate, the participants were offered a free pen after completing the questionnaire. This study was also limited in scope as it covered only Kasarani district in Nairobi. However, the sampling technique ensured that the results were representative to the whole population of alcoholic beverage consumers.

1.8 Definition of Terms

1.8.1 Brand
Hammond (2011) defined a brand as the total emotional experience a customer has with a company and its product.

1.8.2 Product
Trott and Sople (2016) defined a product as a set of attributes offered for the purpose of the satisfaction to the consumer.

1.8.3 Brand Equity
According to Keller (1993), brand equity is the measurable totality of a brand's worth and is validated by assessing the effectiveness of these branding components.
1.8.4 Brand Associations
According to Tuominen (1999), brand association is any mental linkage to the brand. Brand associations may include, e.g. Product attributes, customer benefits, uses, lifestyles, product classes, competitors and countries of origins.

1.8.5 Perceived Quality
Aaker (1991) defined perceived quality as the customer’s perception of the overall quality or superiority of a product or service with respect to its intended purpose, relative to alternatives.

1.8.6 Brand Loyalty
Trott and Sople (2016) defined brand loyalty as the conscious and unconscious decision expressed through intention or repurchase of the brand continuously.

1.9 Chapter Summary
This was the introductory chapter which aimed at getting the reader familiarized with the intended research as well as the issues to be addressed and discussed. It talked about the background of the study. That is, factors that led the researcher to pursue this particular topic on brand equity and its importance in consumer decision making. Secondly, it talked about the specific industry problem based on the concerns raised in the background of the study. The main objective of the research as well as the specific objectives which were to determine the influence of three dimensions of brand equity (brand loyalty, perceived quality and brand associations) on consumer purchase of alcoholic beverages within Nairobi.

The significance of this study to the different stakeholders was also discussed in this chapter. And finally key terms were defined for easier understanding. Chapter two entailed literature review of books, scholarly articles and relevant material regarding the topic of brand equity while chapter three entailed the research methodology which described the research methods and procedures that were adopted in the research. Chapter four and five entailed the analysis and presentation of the collected data and a discussion of the results respectively.
CHAPTER TWO

2.0 LITERATURE REVIEW

2.1 Introduction
This chapter presented a review of relevant literature in regard to the topic of brand equity and consumer purchase decision of alcoholic beverages in Nairobi. Specifically, a critical evaluation of three dimensions of brand equity as well as their antecedents based on Aaker’s brand equity model that had been identified as the specific objectives mentioned in the chapter one. They included; brand loyalty, perceived quality and brand association.

2.2 Brand Loyalty and Consumer Purchase Decision
According to Lovelock and Wirtz (2015), brand loyalty has been used in the business context to describe a customer’s willingness to continue patronizing a firm over the long term, preferably on an exclusive basis, and recommending the firm’s products to friends and associates. Aaker (2010) viewed brand loyalty as a key consideration when placing value on a brand because having a highly loyal consumer base generates predictable sales and profit streams.

He asserts that a brand becomes vulnerable without a loyal customer base and only has value if it has the potential to create loyal customers. According to Ravi (2014), Brand loyalty is considered as one of the major element of building brand equity. He asserts that it is the primary factor which creates customer based brand equity because the customers are loyal to their brand only in the case of complete satisfaction and trust. On one hand, Ayub (2012) defines Brand loyalty as the extension to which a consumer constantly buys the same brand within a product category. Aaker (2010) on the other hand defines brand loyalty as a measure of the attachment that a customer has to a brand. He goes on to state that brand loyalty reflects how likely a customer will be to switch to another brand especially when that brand makes a change either in price or in product features.

Maheshwari, Lodorfos and Jacobsen (2014) assert that marketing strategies for brands have shifted its focus on relationships and value creation that directly links to brand loyalty. According to Asuma (2015), a strong brand can only exist given that it has a strong supply of brand loyal customers. Lee, Moon, Kim and Yi (2015) suggest that a
loyal user is committed to the idea of repurchasing the same brand or brand set despite situational influences or marketing efforts that can cause switching behavior.

Malik et al. (2013) explored the effects of brand loyalty and brand awareness on consumer purchase intention. The results of his study indicated that purchase intentions had a strong positive association with brand awareness and brand loyalty and he concluded that purchase intentions can be enhanced by brand awareness and brand loyalty as a result of their strong positive association. He asserted that managers all over the world should thus strive to promote the brand awareness along with brand loyalty as both of them contribute towards positive purchase intentions. Atilgan, Aksoy, Akinci and Kaynak (2009) explored the practicality and application of a customer based brand equity model based on Aaker’s brand equity model. Their study investigated the relationships between dimensions of brand equity. They specifically measured the way in which consumer perceptions of the dimensions of brand equity affected the overall brand equity evaluations.

Atilgan et al. (2009) concluded that brand loyalty was the most influential dimension of brand equity. Other than identifying that brand loyalty was the most influential dimension of brand equity, there was need to find the factors involved brand awareness and perceived quality order to strengthen their influence on brand equity. Taylor, Celuch and Goodwin (2004) conducted a study on the importance of brand equity to customer loyalty that involved a nationwide sample of industrial customers of heavy equipment manufacturers. Their findings suggested that brand equity and trust were the most important antecedents to both behavioral and attitudinal forms of customer loyalty. They also evidenced that the models underlying the formation of behavioral versus attitudinal forms of customer loyalty may vary across research settings.

Their results suggested that industrial equipment marketers may consider moving beyond a focus on satisfaction in relationship marketing strategies toward integrated strategies that foster brand equity and trust in their customer base as well. Hanzaee and Andervazh (2012) also investigated the relationship between factors affecting brand loyalty and purchase intention in the cosmetic industry in Iran. They investigated the antecedent elements that lead to brand loyalty and purchase intentions. The research results showed that there was a positive and significant relationship between factors of brand loyalty and
cosmetics purchase intention. Aaker (2010) asserts that the customer loyalty a firm commands is what creates a brand's value and that loyalty as an asset justifies and encourages loyalty building programs which then help create and enhance brand equity.

2.2.1 Creating Brand Loyalty

According to Giddens (2002), brand loyalty means that consumers will tend to pay high prices to a certain brand within the same product group and will advise that brand to the people around them. However, the high number of brands that serve the same purpose can make consumers change their brand easily and make the creation of brand loyalty difficult (Wood, 2004). Since the creation of loyalty is getting more difficult, administrators and researchers began to attach more importance to this issue. The ever increasing competition among brands has led marketers to utilizing various means to maintain consumer brand loyalty (Kotler & Keller, 2016). Academicians have come up with different antecedents to brand loyalty.

As a result of the widely acclaimed importance of brand loyalty, much scholarly interest in the branding literature has centered on identifying the antecedents of brand loyalty in the retailing industry (Agustin & Singh, 2005). Research focused on brand preference have tried to investigate the reasons why consumers prefer certain brands over others (Yee, Yeung & Cheng, 2008). According to Shankar, Azar and Fuller (2008), brand satisfaction and brand trust are among the most important precursors of brand preference. Customer satisfaction, Trust and loyalty programs have been identified as appropriate antecedents of brand loyalty and have been discussed below.

2.2.2 Consumer Satisfaction and Consumer Purchase Decision

Cooil, Keiningham, Aksoy, and Hsu (2007) assert that because consumer satisfaction has been regarded a fundamental determinant of long-term business success, much of the research on consumer satisfaction investigates its impact on consumers post consumption evaluations such as behavioral and attitudinal loyalty. According to Dimitriades (2006), it is widely accepted that satisfied consumers are less price sensitive, less influenced by competitors’ attack and loyal to the firm longer than dissatisfied customers. Ercis, Unal, Candan and Yildirim (2012) assert that strong competition and rapid technological developments in various sectors made the firms aiming to increase their market shares by
gaining more customers protect their market shares and that one of the ways to protect their market shares is to create customer loyalty.

The firms with loyal customer portfolios protect their existence for a long time by making their customers repeat purchases. Therefore, there are several studies in the literature about the investigation of variables affecting brand loyalty. Fecikova (2004) asserts that in the contemporary global and highly competitive economy, it is fatal for a business organization to be non-customer oriented. Indeed, to survive organizations need to produce products and services of very good quality that yield highly satisfied and loyal customers. Loyalty of customers is considered to be a function of satisfaction. For many years customer satisfaction has been a major goal of business organizations, since it has been deemed to affect customer retention and companies’ market share (Hansemark & Albinsson, 2004).

Nam, Ekinci and Whyatt (2011) assert that although previous research has examined the relationship between consumer satisfaction and consumer loyalty, there has been only limited investigation into the impact of consumer satisfaction on the relationship between brand equity and brand loyalty. Several studies suggest that customer characteristics such as gender, age and education condition the relationship between satisfaction and behavioral outcomes such as loyalty (Cooil et al, 2007). Although satisfaction is presumed to affect customer loyalty, it is important to consider other factors that possibly also play a role in explaining differences in customer loyalty (Schirmer, Ringle, Gudergan & Feistel, 2018).

2.2.3 Brand Trust

Agustin and Singh (2005) define trust as a consumer’s confident beliefs that he or she can rely on the brand to deliver promised services or products. Marketers should therefore take careful consideration of brand factors in the development of trust in a brand. According to Alhaddad (2015), building and maintaining a trusting and long-lasting relationship with customers are critical to a brand’s success in today’s highly competitive global market. He asserts that because of its importance, Brand trust has drawn increasing attention from both practitioners and researchers in recent years. To build trust, both the supplier and the buyer have to keep their promises. A stable brand personality and consistency in the characteristics of the goods or service attributes will reduce the
emotional risk that the buyers experience every time they purchase a brand and will increase its credibility.

According to Blackston (1993), this process can result in the development of trust and satisfaction, especially when customers believe that the brand supports their needs, and eventually to the creation of a bond between the buyer and the brand. Rauyruen and Miller (2007) argued that in order to gain loyalty of customers, one must first gain their trust. Lau and Lee (1999) in their study proposed that trust in a brand is important and is a key factor in the development of brand loyalty.

Their findings revealed that brand characteristics were relatively more important in their effects on a consumer’s trust in a brand and that trust in a brand is positively related to brand loyalty. Delgado-Ballester and Munuera-Aleman (2005) analyzed the importance of brand trust in the development of brand equity. Their findings revealed that brand trust is rooted in the result of past experience with the brand, and it is also positively associated with brand loyalty, which in turn maintains a positive relationship with brand equity.

2.2.4 Loyalty Programs

According to Dorotic, Bijmolt and Verhoef (2011), the boom in information technology and the shifting of companies towards customer focus has prompted the development of loyalty programmes to encourage customer loyalty. The American Marketing Association refers to loyalty programs as continuity incentive programs offered by a retailer to reward customers and encourage repeat business. Dorotic et al. (2011) suggest that this definition also includes manufacturers as potential offerees. According to Yi and Jeon (2003), a loyalty program is a marketing program that is designed to build customer loyalty by providing incentives to profitable customers and is often based on several propositions. Zhang and Breugelmans (2012) assert that marketing researchers have studied various loyalty programs extensively and that their effectiveness still remains debatable. A large variety of companies, including airlines, hotels, retailers, and car manufacturers increasingly use loyalty programs to manage their customer bases (Mimouni-Chaabane & Volle, 2010). Gaining customer loyalty is an important goal of marketing, and loyalty programs are intended to help in reaching it (Evanschitzky et al, 2011). The goal of a loyalty program is to establish a higher level of customer retention in profitable segments.
by providing more satisfaction and value to certain customers (Bolton, Kannan, & Bramlett, 2000). A review of previous research suggests that the benefits customer obtain from joining loyalty programs consist of monetary savings, convenience, exploration, entertainment, recognition and social benefits.

According to Yi and Jeon (2003), although loyalty programs were widely used, there was little empirical research that investigated whether loyalty programs are indeed perceived as valuable to customers and whether it actually contributed to building brand loyalty. Zhang and Breugelmans (2012) therefore suggest that as marketers look for ways to differentiate their loyalty programs from others, it becomes increasingly important to examine new loyalty program designs.

2.2.5 Brand Loyalty Levels
Aaker (2012) asserts that there are several levels of loyalty. He put forth a loyalty pyramid where each level represents a different marketing challenge and a different type of asset to manage and exploit. As brand loyalty increases, the vulnerability of the customer base to competitive action is reduced. According to Aaker (1991), the five levels of brand loyalty provide a feeling for the variety of forms that loyalty can take and how it impacts upon brand equity. Aaker asserts that at the bottom of the loyalty level is the non-loyal buyer who is completely indifferent to the brand since each brand is perceived to be adequate, and the brand name plays only a small role in the purchase decision. He suggests that this buyer might be termed a switcher. According to Aaker (1991), the second level consists of buyers who are satisfied with the product or at least not dissatisfied and may be called habitual buyers.

The third level consists of switching cost loyal. These are customers who are satisfied and in addition have switching costs for example in time or money associated with switching. He calls this group switching-cost loyal. The fourth level consists of those that truly like the brand. Hence, their preference may be based upon a symbol, a set of use experiences or a perceived high quality. Consumers in this fourth level might be termed friends of the brand because there is an emotional attachment to the brand. Finally at the top level are the committed buyers who feel pride in being users of the brand. Therefore the brand becomes important to them either functionally or as an expression of who they are. Hence they would be willing to recommend the brand to others.
The brand loyalty of existing customers represents a strategic asset that, if properly managed and exploited, has the potential to provide value in several ways. A loyal set of customers can reduce marketing costs, since it is much less costly to keep a customer than to gain and regain, and it provides trade leverage over others in the distribution channel. Customers can create brand awareness and generate reassurance to new customers. Loyal customers will also give a company time to respond to competitive threats (Aaker 1991). Brand loyalty is a measure of the extent to which consumers are loyal to a particular brand over a period of time, which emphasizes a consistent repurchase of the same brand (Sheth & Mittal, 2004). Brand loyalty results in an emotional attachment to the brand, which is driven primarily by commitment and affection (Hawkins, Best & Coney, 2001). The consumer develops affection for the brand in a manner similar to a friendship (Ball, Coelho & Machas, 2004).

Brand loyalty can develop through identification: the consumer believes the brand reflects and reinforces some aspects of the consumer’s self-concept (Petromilli, Morrison & Million, 2002). Consumers exhibit behavioral brand loyalty when a consumer buys a brand simply out of habit or convenience without thinking much about it (Sheth & Mittal, 2004). According to Keller (2008), if consumers primarily used products of a particular company in preference to the products of competing companies, they were considered absolutely brand loyal. However if consumers used a product most of the time but occasionally used a competitors’ product, they are considered moderately brand loyal (Allender & Richards, 2012). Therefore, low brand loyalty exists if brand or product switching occurs regularly with products.

Sheth, Mittal and Newman (1999) asserted that there are three major contributors to brand loyalty, namely perceived brand performance fit, social and emotional identification with the brand and habit combined with a long history of using the brand. According to McKee (2010), consumers will seek rewards through repeated purchase especially if they have a positive brand performance experience. Zhang, Gangwar and Seetharaman (2008) assert that brands will acquire some social images through marketing communications or by real world observations by consumers. According to Cant, Brink and Brijball (2006), marketers often design emotional communication so that it can create a positive affective response on consumers. Melo and Galan (2011) infer that consumers will often enjoy
using certain brands in such a way that they psychologically begin to see those brands as part of themselves.

Neslin (2002) asserts that Brand loyalty arises from habit and long history of brand usage. For example, a consumer who used a particular brand five years ago and had a good experience with it in terms of quality and performance is more likely to use the same brand today and in the future (Briesch, Chintagunta & Fox, 2009). Furthermore, if consumers saw a brand being used in their parental home as they were growing up, they are likely to view this long history of use by parents as testimony to the brand’s goodness and are likely to maintain its usage (Sheth & Mittal, 2004). Positive word-of-mouth communications from a committed customer increases both the probability of the recipient becoming a customer and of the recipient sharing the positive comment with a third person (Hawkins et al, 2001). Therefore, brand loyalty is one of the ways with which consumers express satisfaction with the performance of the product or service received.

### 2.3 Perceived Quality and Consumer Purchase Decision

According to Aaker (2010), perceived quality is a perception by customers and therefore differs from actual quality, product based quality and the manufacturing quality. He asserts that perceived quality cannot be objectively determined since it is a perception and hence judgments about what is important to a customer is involved. Keller (2013) asserts that perceived quality is a core dimension in customer based brand equity since 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 a competitive set and it is therefore considered the consumer’s subjective assessment of a product’s superiority or excellence. Perceived quality provides consumers with value and gives them a reason to differentiate one brand from the other.

Yee and San (2011) assert that consumers compare the quality of alternatives with regard to price within a category. Perceived quality is therefore a critical element in consumer decision making. Mohan (2014) asserts that perceived quality is directly related to the reputation of the firm that manufactures it. It is therefore used as a key factor by firms that seek to create competitive advantage in their relative industry. According to
Schiffman, Kanuk and Wisenblit (2010), perceived quality is the consumers’ judgment about an entity’s overall excellence or superiority and not the actual quality of the brand or product. According to Kotler and Armstrong (2014), perceived quality has a direct impact on a consumers’ purchase decision and brand loyalty, especially when the consumer has little or no information about the products that they are intending to purchase, and is either not motivated or unable to conduct a detailed analysis.

Strizhakova, Coulter, and Price (2011) developed two models with two specific mediating variables. They were; 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, global brands even appeal more so to local consumers owing to higher perceived quality and prestige. Schiffman et al. (2010) assert that consumers will often judge the quality of a product based on a variety of informational cues, intrinsic or extrinsic, that they associate with the product.

They assert that intrinsic cues are those that concern the physical characteristics of the product itself i.e. the product performance, its features, reliability, conformance, durability, serviceability and aesthetics. On the other hand, extrinsic attributes are the cues that are external to the product itself and include its 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 accuracy 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). He 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. Aaker (2010) asserts that competing on the basis of high perceived quality is an attractive alternative.

2.3.1 Dimensions of Perceived Product Quality
Muigai (2017) asserts that in order to efficiently manage perceived quality, it is essential to consider its dimensions. According to Aaker (2010), there are seven perceived quality dimensions for products. Firstly performance which he describes as the primary operating characteristics of a product. Secondly features which he describes as 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 dimension of perceived quality according to Aaker (2010), is fit and finish which he refers to as the look or feel of quality. He asserts that this dimension is considered vital since 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. Muigai (2017) concluded that perceived product quality can be significantly different from the actual manufacturing product quality such that even though the actual quality of a product is good, it is possible that consumer perceptions about the products may be negative.

2.3.2 Brand Value and Perceived Quality
Aaker (2010) suggests that perceived quality provides value in several ways; first, perceived quality provides customers with a reason to buy by influencing which brands they will include or exclude from consideration as well as the brand they will select. He asserts that if the perceived quality is high, then advertising and promotion becomes effective and since perceived quality is linked to purchase decisions, it also makes marketing program elements more effective. Second, perceived quality enables the firm to differentiate its products or services from those of its competitors. Aaker (2010) asserts that a brands position on the perceived quality dimension is extremely important since it will determine whether the product is in the super premium, premium, and value or economy entry. Third, having a perceived quality advantage provides the firm with the option of charging a premium price on its products or services which can increase profits and provide resources used to reinvest in the brand.

Aaker (2010) asserts that the firm can choose to offer superior value at a competitive price which results in higher brand loyalty, a larger consumer base and more efficient and effective marketing programs. Fourth, perceived quality aids channel members such as retailers and distributors in gaining distribution. Aaker (2010) asserts that channel members prefer to stock quality products since their image is affected by the products or services they include in their line. Therefore perceived quality motivates channel members to carry brands that are well regarded and that customers want. Finally, perceived quality can be used to introduce brand extensions which involves using the brand name to enter new product categories. Aaker (2010) asserts that a stronger brand
with positive perceived quality has a higher probability of success if it extends further compared to a weaker brand.

2.3.3 Country of Origin and Perceived Quality
Country of origin effect can be defined as any influence that the country of manufacture has on a consumer’s positive or negative perception of a product (Cateora & Graham, 1999). Roth and Romeo (1992) suggest that attention has been given in the marketing literature as to why country of origin influences purchase decisions. They assert that explanations have been offered including product category involvement, knowledge of a particular country, and patriotism. According to Khan and Bamber (2008), research suggests that country of origin serves as a cue from which consumers make inferences about product and product attributes. Hu et al. (2008) noted that consumers in emerging markets perceived imported products from developed markets to be of superior quality and those from other emerging markets to be of similar or inferior quality to their domestic products.

In contrast, consumers in developed markets perceive products from less developed markets to be of inferior quality, and those from other developed markets to be of similar or superior quality to their domestic products (Gurhan-Canli & Maheswaran, 2000). Sharma (2010) notes that despite growing evidence about differences in the attitudes and behaviors of consumers in emerging and developed markets, there is little research on the differences in country of origin effects on their evaluation, behavioral intentions, and actual purchase of imported products (Sharma, 2010). Prior research on the effects of country of origin on product evaluations shows that consumers perceive products made in developed countries to be of higher quality compared with products made in emerging markets (Josiassen & Harzing, 2008).

Sharma (2010) in his study introduced a new conceptual framework incorporating consumer ethnocentrism, materialism, and value consciousness to hypothesize several differences in the influence of country of origin effects on consumers from developed and emerging markets. According to Koschate-Fischer, Diamantopoulos and Oldenkotte (2012), price-related consequences of the country-of-origin cue have received limited attention in extant literature. In their study, they drew from equity theory and cue utilization theory and investigated whether a brand’s country of origin affects a consumer’s willingness to pay and the extent to which the consumer’s familiarity with the
brand moderates this relationship. The results of three complementary experimental studies revealed that country of origin indeed has a positive impact on willingness to pay.

Country of origin is known to lead to associations in the minds of consumers (Aaker, 1991). Thakor and Kohli (2003) suggest that less concern should be given to the place where brands manufacture their products, and more to the place where people perceive the brand’s country of origin to be. While positive country associations may exist in consumers’ minds and create pride for brand owners, evidence linking them to actual purchase behavior and business benefits is limited. Lusk et al. (2006) argue that firms provide country of origin cues to consumers when it is profitable for them to do so and based on the assumption that consumers trust this signal of product quality.

Country associations have also been positioned as a potential source of competitive advantage for manufacturers seeking to differentiate their product in domestic and export markets (Baker & Ballington, 2002). In addition, it has been suggested that use of these associations is typical of emerging brands and companies that lack sufficient awareness and resources to develop highly differentiated and sophisticated brand images in export markets (Niss, 1996). Piron (2000) argues that the importance of a product’s country of origin is indirect due to the associations that develop between a brand and a particular country.

2.4 Brand Associations and Consumer Purchase Decisions

Aaker (1996) defines a brand association as anything linked in memory to a brand. He asserts that links to a brand are stronger when they are based on many experiences and exposures to communications and that brand associations are the foundations of purchase decisions. Keller (2013) defines brand associations as informational nodes linked to the brand node in memory that contain the meaning of the brand for consumers. Therefore brand associations are important to marketers and consumers. According to Low and Lamb (2000), marketers use brand associations to differentiate, position, and extend brands, to create positive attitudes and feelings toward brands, and to suggest attributes or benefits of purchasing or using a specific brand.

A study they conducted purposed to test empirically a conceptualization of brand associations which they suggest consist of three dimensions: brand image, perceived

According to Keller (2008), non-functional attributes meet consumer needs for personal expression, self-esteem or social approval. Fayrene and Lee (2011) observed that consumers linked social image of a brand, trustworthiness, perceived value, differentiation and country of origin to a brand. Aaker (1991) identifies five ways in which associations create value to both the firm and its customers. First he asserts that brand associations summarize facts and specifications that the customer would otherwise not be able to process or access or would be expensive for the firm to communicate. Therefore associations influence interpretation of facts by consumers as well as influence the recall of information during decision making. Secondly, associations provide a basis for differentiation. Aaker (2010) gives an example of product classes such as wines, clothes and perfumes which are hardly distinguishable by most customers. Therefore, associations of brand names play a critical role in separating brands from one another.

Keller (2008) asserts that brand associations take different forms and that they can be classified into three main categories which include attributes, benefits and attitudes. Aaker (2010) on the other hand identified eleven types of associations including: product attributes, intangibles, customer benefits, relative price, country/geographic area, competitors, product class, lifestyle/personality, celebrity/person, user/customer and use/application. According to Keller (2008), attributes are the descriptive features that characterize a product or service and hence what a consumer thinks the product or service is or has and what is involved with its purchase or consumption. He goes on to state that attributes can further be distinguished according to how directly they relate to a product or service performance.
According to Keller (2008), product related attributes are the ingredients necessary for performing product or service functions that are sought by customers such as a product's physical composition or service requirements. However, non-product related attributes are the external aspects of the product or service relating to its purchase or consumption and include; packaging or product appearance information, usage and user imagery, and price information. He asserts that benefits are the personal value that consumers have attached to a product or service attributes which includes what the consumer thinks a product or service can do for them. Benefits can be categorized into three; functional benefits, experiential benefits and symbolic benefits.

Keller (2008) defines functional benefits as the intrinsic advantages of a product and correspond to product related attributes. He also asserts that experiential benefits refers to what it feels like to use a product or service since the benefits satisfy needs such as variety, cognitive stimulation and pleasure. According to Keller (2008), symbolic benefits are the extrinsic advantages of a product that correspond to non-product related attributes. Symbolic benefits relate to underlying needs for personal expression and for social approval. Aaker (1996) asserts that measurement of differentiation can be structured around three perspectives on the brand and include the brand value, brand personality and organizational associations.

2.4.1 Brand Personality
Aaker (1997) defines brand personality as the set of human characteristics associated with a brand. He asserts that it is a multi-dimensional and multifaceted construct that enables consumers to express themselves along several dimensions. A substantial literature stream indicates that there are benefits to having a favorable brand personality, such as enhanced brand attitudes and purchase intentions and higher levels of consumer trust and loyalty (Freling, Crosno & Henard, 2010). Brand personality, defined as all personality traits used to characterize a person and associated with a brand, is an important concept within the field of relational marketing (Louis & Lombart, 2010). According to Sweeney and Brandon (2006), consumers can easily view a brand as having a friendly or exciting personality due to advertisers’ continuous attempts to humanize and anthropomorphize the brand.
Understanding brand personality is necessary for creating and building meaningful consumer–brand relationships. It explains how those relationships impact individual level consumer behavior (Sung & Kim, 2010) as well as product level performance measurements (Freling & Forbes, 2005). In addition, brand personality is an effective and efficient way in product differentiation and helps influence brand performance. Keller (1993) asserts that strong, unique, and favorable brand associations which include perceptions of a brand’s personality, have the capacity to positively affect a brand’s overall equity. According to Doyle (1990), distinct brand personality plays a key role in the success of a brand. He asserts that it leads customers to perceive the brand personality and develop a strong connection to the brand.

Kumar, Luthra and Datta (2006) suggests that a brand personality should be shaped to be long lasting and consistent and it should also be different from other brands and meet consumer’s demands. With specific brand personality, consumers of varying personality traits will be attracted and their brand preference will then be further developed (Lin, 2010). Aaker, Fournier and Brasel (2004) suggest that each exchange partner’s personality traits affect the relationship. Thus, brands that possess a desirable personality will provide a greater opportunity for the consumer to develop a strong relationship with the brand. The brand personality scale developed by Aaker (1996) consists of five generic dimensions: sincerity, excitement, competence, sophistication and ruggedness. Since its creation his study has been replicated using various consumer brands within different product categories and across different cultures.

According to Ismail and Spinelli (2012), the main focus in the present study is on the excitement dimension of brand personality. As suggested by many scholars, excitement and sincerity are considered two fundamental dimensions that capture the majority of variance in personality ratings for brands (Aaker et al, 2004). Aaker (1996) asserts that the value proposition, which usually involves a functional benefit, is basic to brands in most product classes since a brand that does not generate value will be vulnerable to competitors. The value measure provides a summary indicator of the brands success at creating that value proposition. Because the focus is on value rather than specific functional benefits, a measure is created which can apply across product classes. According to Aaker (1996), brand value can be measured by whether the brand provides
consumers good value for money and also whether it gives consumers reasons to buy this brand over competitors.

2.4.2 Brand Image
According to Keller (1993), brand image can be defined as the perceptions about a brand as reflected by the brand association held in a consumer’s memory. According to Aaker (1996), these associations refer to any brand aspect within the consumer’s memory. Roy and Banerjee (2008) assert that brand image describes the consumer’s thoughts and feelings towards the brand. Many successful companies with an inferior brand image merge and acquire companies with a superior brand image in order to increase their market share (Nguyen & Kleiner, 2003). According to Rubio, Oubina and Villasenor (2013), consumers ascribe high quality to esteemed brands. Therefore, brand image is the overall mental image that consumers have of a brand, and its uniqueness in comparison to the other brands (Faircloth, 2005).

According to Iversen and Hem (2008), brand image represents the personal symbolism that consumers associate with the brand, which comprises of all the descriptive and evaluative brand related information. When consumers have a favorable brand image, the brand’s messages have a stronger influence in comparison to competitor brand messages (Hsieh & Li, 2008). Therefore, brand image is an important determinant of a buyer’s behavior (Burmann, Schaefer & Maloney, 2008). Brand image comprises a consumer’s knowledge and beliefs about the brand’s diverse products and its non-product attribute. Reza-Jalilvand and Samiei (2012) assert that the creation of a brand implies communicating a certain brand image in such a way that all the firm’s target groups link such a brand and thus the services sold using its name with a set of associations.

According to Bian and Moutinho (2011), communication of a brand image to a target segment has been regarded as an important marketing activity since it was first introduced formally into the marketing discipline by Gardner and Levy in (1955). They assert that the trend has never faded ever since and that brand image has been assigned different meanings from the day it was introduced into the marketing discipline. Oladepo and Abimbola (2015) conducted a study to evaluate the influence of brand image and promotional mix on consumer buying decision. Their findings revealed that brand image, advertising, sales promotion and personal selling have significant influence on consumer
buying decision. They therefore concluded that the way a product is promoted coupled with the brand integrity of such product encourages consumers to purchase it and make repeat purchase of it, and as well enhances the referral of such product to other prospects.

Da Silva and Alwi (2008) discovered that brand image not only enhances consumer buying decisions but also has a direct positive relationship with customer loyalty. Malik et al. (2013) assert that brand image development is a long term process that can prove a strong weapon to fight with competitors. Brand image and advertisement play a crucial role to boost up any business performance as brand image is an implied tool which can positively change people’s buying behaviors and advertisement is behaving as a driving force for any business as it’s an effective source to convey your message and stay in customer’s mind (Malik et al, 2013). According to Martenson (2007), a favorable brand image would have a positive influence on consumer behavior towards the brand in terms of increasing loyalty, commanding a price premium and generating positive word of mouth.

2.5 Chapter Summary
This chapter explored scholarly articles, books and relevant literature on the topic of brand equity. Each of the three dimensions of brand equity which include brand loyalty, perceived quality and brand associations were discussed mostly based on scholarly work by Aaker in his brand equity model as well as Keller’s customer based brand equity concept. Consumer satisfaction, brand trust and loyalty programs were identified and their influence on consumer purchase decision discussed as antecedents to brand loyalty while brand value and country of origin were identified and discussed as antecedents of perceived quality. Lastly brand personality and brand image were identified as antecedents of brand association and their influence on consumer purchase decisions discussed. Chapter three entailed the methodology section which described the research methods and procedures adopted throughout the research while chapter four presented the results and findings of analysis of the data collected based on the specific objectives of the study.
CHAPTER THREE

3.0 RESEARCH METHODOLOGY

3.1 Introduction
This chapter described the research methodology that was used. It outlined and justified the research design used, described the population and sampling design used, the data collection type and methods as well as instruments used, research procedures as well as the data analysis methods employed throughout the study.

3.2 Research Design
The study adopted a descriptive research design specifically a cross sectional study design. According to Christensen, Johnson and Turner (2016), descriptive research focuses on describing some phenomenon, event or situation. Descriptive research is undertaken to obtain answers to questions of who, what, where, when and how (Burns, Bush & Nash, 2008). Mitchell and Jolley (2012) asserted that we need descriptive research in order to accurately describe and predict what people think, feel and do. A cross-sectional study involves looking at people who differ on one key characteristic at one specific point in time. In this regard, other than being flexible, cross sectional studies were considered because they were inexpensive and fast and hence suitable for this study. The independent variables were established as brand loyalty, perceived quality and brand associations. The dependent variable was identified as consumer purchase decision.

3.3 Population and Sampling Design
3.3.1 Population
Saunders, Lewis and Thornhill (2016) assert that a population comprises a set of individuals, objects or data from where a statistical sample is drawn. Population therefore forms a basis from which the sample or subjects for the study is drawn. The population of interest in this study were consumers of branded alcoholic beverages in Nairobi's Kasarani district. This geographical area was chosen because of the high concentration of alcoholic beverage outlets and the nature of the population characterized by middle class earnings and hence higher disposable incomes. Using NACADA (2017) estimates that 15.7% of Nairobi’s population consumes alcoholic beverages and KNBS (2010) data
indicating Kasarani had an estimated population of 525624, the population of interest for this study was calculated and estimated as $0.157 \times 525624 = 84100$.

3.3.2 Sampling Design

3.3.2.1 Sampling Frame
Saunders et al. (2016) define a sampling frame as a list comprising of all those within a population who may be sampled and include individuals, households, organizations or institutions. Based on the research population, the sampling frame for this study comprised of consumers of branded alcoholic beverages in outlets that sell alcohol within Kasarani District including bars and wine and spirit outlets. According to Omulo (2018), Kasarani district had 989 registered liquor outlets licensed by the Nairobi County Alcoholic Drinks Control and Licensing Board.

3.3.2.2 Sampling Technique
The study employed systematic sampling technique where 50 alcoholic beverage outlets were identified and chosen out of the possible 989. Eight respondents were chosen at random from these outlets to get a total of 400 respondents. Systematic sampling was chosen because it was least expensive since only fifty out of at least nine hundred outlets were visited and it was therefore least time consuming hence suitable for this study. Due to the large size of Nairobi County, respondents were only drawn from Kasarani district. This is because of the high number of alcoholic beverage retailers in the area and hence a better concentration and representation of the target population for this study.

3.3.2.3 Sample Size
Lavrakas (2008) defines sample size as the number of units that were chosen from which data were gathered. According to Phrasisombath (2009), sampling involves the selection of a number of study units from a define study population. Researchers sample because of time and budget constraints and therefore a sample of the population is used to make inferences about the whole population. To collect data that is representative of the entire population of interest and to simplify the process of determining the sample size for a finite population, the study adopted Krejie and Morgan’s (1970) sample size determination table for finite population with 95% certainty. Therefore the sample size for this population was determined as follows: For a population $N > 75000 < 1,000,000$
Sample Size S= 384. Hence for our population N= 84100 giving a sample Size for the study = 384.

3.4 Data Collection Methods
A survey method was adopted as the suitable data collection method. Specifically, the use of a structured questionnaire with close ended questions for collecting primary data. Questionnaire was chosen because it is easy to administer, less costly and time saving when getting feedback especially due to the nature of the study population. The constructs in this study were developed by using measurement scales adopted from prior studies and modifications were made to the scale to fit the purpose of the study. All constructs were measured using a five point Likert scale with ranges from strongly disagree (= 1) to strongly agree (= 5) and therefore respondents were able to state their level of agreement or disagreement with the statements.

The questionnaire contained five sections. Section one consisted of general information about the respondents and included age, gender and income levels. The remaining sections contained statements developed from the literature on the three independent variables which were the three dimensions of brand equity and included brand loyalty, perceived quality and brand associations and consumer purchase decisions as the dependent variable. Respondents were approached and their willingness and suitability to take part in the study determined.

3.5 Research Procedures
Permission was sought from the University before data collection was embarked on. A pilot study was conducted where 20 questionnaires were administered so as to establish the validity and reliability of the variables and hence the data. Cronbachs Alpha was used to validate the reliability of the data with results indicating that all the variables had Alpha values > 0.7. Suitable respondents were approached during the actual data collection and the purpose of the study explained to them as well as the voluntary nature of the exercise. They were handed the questionnaires which took approximately ten minutes to complete. They were also assured of the highest level of confidentiality and that the data collected was to be used for academic purposes only.
3.6 Data Analysis Methods
To ensure accuracy of data, the questionnaires were reviewed carefully and checked for completeness and consistencies. The collected data was coded, edited and analyzed with the aid of the Statistical Package for Social Science (SPSS) computer software and Microsoft Excel. Structural Equation modelling was performed. The purpose of SEM was to investigate the set of relations between one or more independent variables and one or more dependent variables. SEM is an extensive statistics approach utilized to test models, in which there are causal and correlational relations together between observable and latent variables (Hoyle, 2012). Descriptive statistics analyzed using frequencies, percentages and mean. The results were presented using tables and figures. Inferential statistical analysis for the study included correlations and regression. Regression was used to determine the level of significance in relationship between brand equity dimensions and consumer purchase decisions. Correlation was used to establish the existence, strength and nature of the relationships between the research variables.

3.7 Chapter Summary
This chapter entailed the research methodology that described the methods and procedures to be used in the study. This included the research design, population and sampling design, data collection methods, research procedures and finally data analysis methods. Descriptive research systematic sampling was adopted as the sampling technique, the population identified and sample size described using Krejcie and Morgan’s (1970) table. The questionnaire was adopted as the data collection tool for primary data. SPSS and Microsoft Excel were chosen as the data analysis tools. Chapter four presented the results and findings of analysis of the data that was collected based on the specific objectives of the study.
CHAPTER FOUR

4.0 RESULTS AND FINDINGS

4.1 Introduction
This chapter presented the results and findings of analysis of the data collected based on the specific objectives of the study. It included the assessment of the response rate of the study, the demographic characteristics of the respondents and the descriptive on the dependent and independent variables. Findings were presented using tables and figures.

4.2 Response Rate
Table 4.1 below indicates the response rate from the study. Out of the 400 questionnaires distributed to the respondents, 325 were returned and had been duly filled. This gave a response rate of 81.25% that was considered sufficient for data analysis.

Table 4.1 Response Rate

<table>
<thead>
<tr>
<th>Category</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Completed</td>
<td>325</td>
<td>81.25</td>
</tr>
<tr>
<td>Not Completed</td>
<td>75</td>
<td>18.75</td>
</tr>
<tr>
<td>Total</td>
<td>400</td>
<td>100</td>
</tr>
</tbody>
</table>

4.3 Demographic Characteristics

4.3.1 Gender of Respondents
The study sought to establish the gender composition of the respondents. From the data obtained from the questionnaires, out of the 325 respondents, a majority 53.54% were male and 46.46% were female as presented in figure 4.1 below.

Figure 4.1 Gender of Respondents
4.3.2 Age of Respondents
Respondents were asked to indicate their age based on a scale with intervals of five years. From their responses, presented in figure 4.2 below, 14.77% of the respondents constituted the minority in the age bracket of 18 - 25 years while a majority of the respondents 35.69% were in the age bracket of 26-33 years, 29.85% were in the age bracket of 34-41 years and 19.69% were aged 40 years and above.

![Figure 4.2 Age of Respondents](image)

4.3.3 Education Level
Respondents were asked to indicate their level of education and the results presented in figure 4.3 below. A minority 5.58% of the respondents indicated they reached secondary school level, 37.54% reached college level and a majority 56.62% reached university level.

![Figure 4.3 Education Levels](image)
4.3.4 Occupation
From the responses presented in table 4.2 below, a majority 58.2% of the respondents were employed, 32.3% were self-employed, 3.4% were unemployed, 3.4% retired and 2.8% were students.

Table 4.2 Respondents Occupation

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Student</td>
<td>9</td>
<td>2.8</td>
</tr>
<tr>
<td>Employed</td>
<td>189</td>
<td>58.2</td>
</tr>
<tr>
<td>Self-employed</td>
<td>105</td>
<td>32.3</td>
</tr>
<tr>
<td>Un-employed</td>
<td>11</td>
<td>3.4</td>
</tr>
<tr>
<td>Retired</td>
<td>11</td>
<td>3.4</td>
</tr>
<tr>
<td>Total</td>
<td>325</td>
<td>100.0</td>
</tr>
</tbody>
</table>

4.3.5 Average Monthly Income
The respondents were asked to indicate their average income per month in Kenya shillings and the results presented in figure 4.4 below. From the findings a majority 31.08% earned between 20001-40000, 21.23% earned over 80000, 16.92% of the respondents earned below 20000, 15.69% earned between 40001-60000 and 15.08% earned between 60001-80000 shillings.

Figure 4.4 Average Monthly Income
4.3.6 Marital Status
Respondents were asked to indicate their marital status as either single, married or other. The results are as presented in figure 4.5 below. A majority 56.62% of the respondents were married, 40.31% were single while 3.08% indicated other.

![Figure 4.5 Marital Status](image)

4.3.7 Brand Preference
Table 4.3 below represents the respondents brand preference of alcoholic beverages. A majority 37.8% of the respondents preferred spirits, 25.5% preferred beer, 25.2% preferred wine, and 10.2% preferred liqueurs while 1.2% of the respondents were undecided on their preferred brand of alcoholic beverage.

Table 4.3 Brand Preference

<table>
<thead>
<tr>
<th>Brand</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beer</td>
<td>83</td>
<td>25.5</td>
</tr>
<tr>
<td>Spirits</td>
<td>123</td>
<td>37.8</td>
</tr>
<tr>
<td>Wine</td>
<td>82</td>
<td>25.2</td>
</tr>
<tr>
<td>Liqueur</td>
<td>33</td>
<td>10.2</td>
</tr>
<tr>
<td>Undecided</td>
<td>4</td>
<td>1.2</td>
</tr>
<tr>
<td>Total</td>
<td>325</td>
<td>100.0</td>
</tr>
</tbody>
</table>
4.3.8 Brand Origin
The respondents were asked to indicate the country of origin of their brand of alcoholic beverages as either local or foreign and the results presented in figure 4.6 below. A majority 58.15% of the responses indicated that their choice of alcoholic beverages were locally manufactured while 41.85% indicated that their choice of alcoholic beverage were imported brands.

![Figure 4.6 Brand Origin](image)

4.3.9 Brand Manufacturer/Distributor
The respondents were asked to indicate the brand manufacturer or distributor of the alcoholic beverage brand of their choice. The results are presented in figure 4.7 below. The responses indicated that EABL was the leading manufacturer/distributor of alcoholic brands at 33.23%, 25.3% of the respondents didn’t know the manufacturer/distributor, 18.77% by KWAL, 13.54% were Others while 9.23% was Keroche breweries.

![Figure 4.7 Brand Manufacturer/Distributor](image)
4.3.10 Consumption

Table 4.4 below presents the respondents’ consumption pattern. A majority 34.5% consumed alcoholic beverages 2-3 times per week, 31.4% consumed once a week, 12% consumed 2-5 times per month, 9.2% consumed once a month, 7.7% consumed daily and 5.2% of the respondents consumed 4-5 times per week.

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Everyday</td>
<td>25</td>
</tr>
<tr>
<td>Once a week</td>
<td>102</td>
</tr>
<tr>
<td>2-3 times per week</td>
<td>112</td>
</tr>
<tr>
<td>4-5 times per week</td>
<td>17</td>
</tr>
<tr>
<td>Once a month</td>
<td>30</td>
</tr>
<tr>
<td>2-5 times per month</td>
<td>39</td>
</tr>
<tr>
<td>Total</td>
<td>325</td>
</tr>
</tbody>
</table>

4.4 Brand Loyalty

4.4.1 Consumer Satisfaction and Purchase Decision

The study sought to understand the influence of consumer satisfaction as one of the antecedents of brand loyalty on the respondents purchase decision of alcoholic beverages. From the results as indicated in table 4.5 below, 79.4% of the respondents agreed that they were more likely to buy a brand of alcoholic beverages from a company that fully satisfies them, 82.2% agreed that they buy a brand that they would recommend to friends, 77.6% agreed that they intend to purchase their current brand in future, 82.2% agree that they are more likely to buy a brand of alcoholic beverage from a company that they take a keen interest in. Eighty three point four percent of the respondents agreed that they are more likely to buy a brand of alcoholic beverage from a brand that is on a regular basis, typically their first choice and 84% are satisfied with their current brand of alcoholic beverage while 81.6% were still willing to buy their brand of alcoholic beverage even with an increase in its price. Eighty one point six percent of the respondents agreed that they are still willing to buy their brand of alcoholic beverages even if its price is higher than that of other
competing brands while. Eighty two point two percent of the respondents were willing to pay a premium price for a brand of alcoholic beverage that provides them a unique experience i.e. taste.

**Table 4.5 Descriptives for Consumer Satisfaction**

<table>
<thead>
<tr>
<th>Statement</th>
<th>SD (%)</th>
<th>D (%)</th>
<th>N (%)</th>
<th>A (%)</th>
<th>SA (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>I am more likely to buy a brand of alcoholic beverages from a company that fully satisfies me.</td>
<td>0.3</td>
<td>1.2</td>
<td>19.1</td>
<td>34.2</td>
<td>45.2</td>
</tr>
<tr>
<td>I am more likely to buy a brand of alcoholic beverage that I would be willing to recommend to my friends.</td>
<td>0</td>
<td>2.8</td>
<td>15.1</td>
<td>38.8</td>
<td>43.4</td>
</tr>
<tr>
<td>I intend to continue purchasing my current brand of alcoholic beverage regardless of other brands available in the market.</td>
<td>1.5</td>
<td>4</td>
<td>16.9</td>
<td>39.4</td>
<td>38.2</td>
</tr>
<tr>
<td>I am more likely to buy a brand of alcoholic beverage from a company that I take a keen interest in.</td>
<td>0.3</td>
<td>3.4</td>
<td>14.2</td>
<td>47.4</td>
<td>34.8</td>
</tr>
<tr>
<td>Overall, I am satisfied with the decision to purchase from my current brand of alcoholic beverage.</td>
<td>0.3</td>
<td>1.8</td>
<td>13.8</td>
<td>47.7</td>
<td>36.3</td>
</tr>
<tr>
<td>I am still willing to buy my brand of alcoholic beverages even if its price is higher than that of other competing brands.</td>
<td>1.2</td>
<td>2.5</td>
<td>14.8</td>
<td>51.1</td>
<td>30.5</td>
</tr>
<tr>
<td>I am more likely to buy alcoholic beverages from a brand that I highly trust.</td>
<td>0</td>
<td>1.2</td>
<td>16</td>
<td>42.8</td>
<td>40</td>
</tr>
<tr>
<td><strong>BL8</strong> I am still willing to buy my brand of alcoholic beverage even with an increase in its price.</td>
<td>1.2</td>
<td>2.5</td>
<td>15.7</td>
<td>48.3</td>
<td>32.3</td>
</tr>
</tbody>
</table>

**KEY:** SA- Strongly Agree, A- Agree, N- Neutral, D- Disagree, SD- Strongly Disagree
4.4.2 Brand Trust and Consumer Purchase Decision

The study sought to understand the influence of consumer brand trust as one of the antecedents of brand loyalty on the respondents purchase decision of alcoholic beverages. From the results and as indicated in table 4.6 below, 82.8% of the respondents agreed that they were more likely to buy alcoholic beverages from a brand that they highly trust, 77.2% consider themselves to be highly loyal to one brand of alcoholic beverage, 82.5% say positive things about their brand of alcoholic beverages to other people i.e. friends, family.

Seventy seven point two percent of the respondents agree that if their brand is not available in one store when they need it, they would search for it and buy it somewhere else, 87% agree that they were more likely to buy a brand of alcoholic beverage that they trusted to be safe while 85.3% agree that they are more likely to buy a brand of alcoholic beverages that they trust to meet their expectations.

Table 4.6 Descriptives for Brand Trust

<table>
<thead>
<tr>
<th>Statement</th>
<th>SD %</th>
<th>D %</th>
<th>N %</th>
<th>A %</th>
<th>SA %</th>
</tr>
</thead>
<tbody>
<tr>
<td>I consider myself to be highly loyal to one brand of alcoholic beverage.</td>
<td>1.8</td>
<td>4</td>
<td>16.9</td>
<td>41.8</td>
<td>35.4</td>
</tr>
<tr>
<td>I say positive things about my brand of alcoholic beverages to other people i.e. friends, family</td>
<td>0.3</td>
<td>2.2</td>
<td>15.1</td>
<td>48.3</td>
<td>34.2</td>
</tr>
<tr>
<td>If my brand is not available in one store when I need it, I will search for it and buy it somewhere else.</td>
<td>0.9</td>
<td>4.6</td>
<td>17.2</td>
<td>45.5</td>
<td>31.7</td>
</tr>
<tr>
<td>I am more likely to buy a brand of alcoholic beverage that I trust to be safe.</td>
<td>0.3</td>
<td>1.2</td>
<td>11.4</td>
<td>45.5</td>
<td>41.5</td>
</tr>
<tr>
<td>I am more likely to buy a brand of alcoholic beverages that I trust to meet my expectations.</td>
<td>0.6</td>
<td>3.6</td>
<td>10.5</td>
<td>40.2</td>
<td>45.1</td>
</tr>
<tr>
<td>I am willing to pay a premium price for a brand of alcoholic beverage that provides me a unique experience i.e. taste</td>
<td>1.8</td>
<td>1.5</td>
<td>14.5</td>
<td>48</td>
<td>34.2</td>
</tr>
</tbody>
</table>

KEY: SA- Strongly Agree, A- Agree, N- Neutral, D- Disagree, SD- Strongly Disagree
4.4.3 Loyalty programs and Consumer Purchase Decisions
The study sought to understand the influence of loyalty programs as one of the antecedents of brand loyalty on the respondents purchase decision of alcoholic beverages. From the results and as indicated in table 4.7 below, 83% of the respondents agreed that they were more likely to buy a brand of alcoholic beverages from a company that had rewards schemes to its loyal customers while 82.8% agreed that they would definitely consider buying a brand of alcoholic beverage from a company that cared about its loyal customers.

Table 4.7 Descriptives for Loyalty Programs

<table>
<thead>
<tr>
<th>Statement</th>
<th>SD %</th>
<th>D %</th>
<th>N %</th>
<th>A %</th>
<th>SA %</th>
</tr>
</thead>
<tbody>
<tr>
<td>I am more likely to buy a brand of alcoholic beverages from a company that has rewards schemes to its loyal customers.</td>
<td>1.8</td>
<td>2.2</td>
<td>12.9</td>
<td>49.8</td>
<td>33.2</td>
</tr>
<tr>
<td>I will definitely consider buying a brand of alcoholic beverage from a company that cares about its loyal customers.</td>
<td>0.3</td>
<td>1.5</td>
<td>15.4</td>
<td>39.4</td>
<td>43.4</td>
</tr>
</tbody>
</table>

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

4.5 Perceived Quality

4.5.1 Perceived Product Quality and Consumer Purchase Decision
The study sought to understand the influence of perceived product quality as one of the antecedents of perceived quality on the respondents purchase decision of alcoholic beverages. From the results and as indicated in table 4.8 below, 86.8% of the respondents agreed that they were more likely to purchase a brand of alcoholic beverage from a company that made good quality products, 82.5% agreed that they were more likely to purchase a brand of alcoholic beverage that had the best taste, 76.6% agreed that they compared and contrasted the various alcoholic brands and typically bought the one that exhibited superior characteristics.
Table 4.8 Descriptives for Perceived Product Quality

<table>
<thead>
<tr>
<th></th>
<th>SD</th>
<th>D</th>
<th>N</th>
<th>A</th>
<th>SA</th>
</tr>
</thead>
<tbody>
<tr>
<td>I am more likely to purchase a brand of</td>
<td>0.3</td>
<td>0.3</td>
<td>12.6</td>
<td>43.1</td>
<td>43.7</td>
</tr>
<tr>
<td>alcoholic beverage from a company that</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>makes good quality products.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I am more likely to purchase a brand of</td>
<td>0</td>
<td>1.2</td>
<td>16.3</td>
<td>46.5</td>
<td>36</td>
</tr>
<tr>
<td>alcoholic beverage that has the best</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>taste.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I compare and contrast the various</td>
<td>1.8</td>
<td>2.8</td>
<td>18.8</td>
<td>48.9</td>
<td>27.7</td>
</tr>
<tr>
<td>alcoholic brands and typically buy the</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>one exhibiting superior characteristics.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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

4.5.2 Brand Value and Consumer Purchase Decision

The study sought to understand the influence of brand value as one of the antecedents of perceived quality on the respondents purchase decision of alcoholic beverages. From the results and as indicated in table 4.9 below, 82.7% of the respondents agreed that they were more likely to buy an alcoholic beverage from a company that gave them a reason to buy i.e. benefits, 87.7% agreed that they were more likely to purchase a brand of alcoholic beverage from a company that was consistent.

Eighty point three percent of the respondents agreed that they were more likely to buy a brand of alcoholic beverage from a company they perceived to be a leader while 79.4% agreed that they were more likely to buy a brand of alcoholic beverage that they believe offered value for money,
Table 4.9 Descriptives for Brand Value

<table>
<thead>
<tr>
<th>PQ4</th>
<th>I am more likely to buy an alcoholic beverage from a company that gives me a reason to buy i.e. benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>SD</td>
<td>0.3</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PQ5</th>
<th>I am more likely to purchase a brand of alcoholic beverage from a company that is consistent.</th>
</tr>
</thead>
<tbody>
<tr>
<td>SD</td>
<td>0.9</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PQ6</th>
<th>I am more likely to buy a brand of alcoholic beverage from a company I perceive to be a leader</th>
</tr>
</thead>
<tbody>
<tr>
<td>SD</td>
<td>1.5</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PQ7</th>
<th>I am more likely to buy a brand of alcoholic beverage that I believe offers value for money.</th>
</tr>
</thead>
<tbody>
<tr>
<td>SD</td>
<td>0.3</td>
</tr>
</tbody>
</table>

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

4.5.3 Country of Origin and Consumer Purchase Decision

The study sought to understand the influence of country of origin as one of the antecedents of perceived quality on the respondents purchase decision of alcoholic beverages. From the results and as indicated in table 4.10 below, 74.8% of the respondents agreed that the country of origin was an important factor to them when buying a brand of alcoholic beverage.

Seventy point two percent of the respondents agreed that they were more likely to buy an imported brand of alcoholic beverage because of its superior quality compared to the locally manufactured brands while 71% were willing to pay a higher price for an imported brand of alcoholic beverage than a locally manufactured brand, 70.2% agreed that imported brands of alcoholic beverages were more visually appealing in appearance than locally manufactured while 74.4% agreed that imported brands of alcoholic beverages were more trustworthy than locally manufactured brands.
Table 4.10 Descriptives for Country of Origin

<table>
<thead>
<tr>
<th></th>
<th>SD (%)</th>
<th>D (%)</th>
<th>N (%)</th>
<th>A (%)</th>
<th>SA (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>PQ8 The country of origin is an important factor to me when buying a brand of alcoholic beverage.</td>
<td>3.7</td>
<td>4</td>
<td>17.5</td>
<td>47.1</td>
<td>27.7</td>
</tr>
<tr>
<td>PQ9 I am more likely to buy an imported brand of alcoholic beverage because of its superior quality compared to the locally manufactured brands.</td>
<td>3.7</td>
<td>4.6</td>
<td>21.5</td>
<td>42.5</td>
<td>27.7</td>
</tr>
<tr>
<td>PQ10 I am willing to pay a higher price for an imported brand of alcoholic beverage than a locally manufactured brand.</td>
<td>4</td>
<td>8.9</td>
<td>16</td>
<td>41.5</td>
<td>29.5</td>
</tr>
<tr>
<td>PQ11 Imported brands of alcoholic beverages are more visually appealing in appearance than locally manufactured.</td>
<td>3.4</td>
<td>5.5</td>
<td>20.9</td>
<td>39.7</td>
<td>30.5</td>
</tr>
<tr>
<td>PQ12 Imported brands of alcoholic beverages are more trustworthy than locally manufactured brands.</td>
<td>3.7</td>
<td>5.8</td>
<td>16</td>
<td>45.5</td>
<td>28.9</td>
</tr>
</tbody>
</table>

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

4.6 Brand Association

4.6.1 Brand Personality and Consumer Purchase Decision

The study sought to understand the influence of brand personality as one of the antecedents of brand association on the respondents purchase decision of alcoholic beverages. From the results and as indicated in table 4.11 below, 77.6% of the respondents indicated they were more likely to buy a brand of alcoholic beverage that reflected their individual personality, 84.9% indicated that they were more likely to buy from a company that was innovative and strived to for continuous improvement, 83.4% were more likely to buy from a company that was sincere and honest while 82.8% of the respondents were more likely to buy a brand of alcoholic beverage from a company that was exciting i.e. imaginative and up to date.
Table 4.11 Descriptives for Brand Personality

<table>
<thead>
<tr>
<th>Statement</th>
<th>SD (%)</th>
<th>D (%)</th>
<th>N (%)</th>
<th>A (%)</th>
<th>SA (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>I am more likely to buy a brand of alcoholic beverage that reflects my individual personality i.e. Practical, Flamboyant.</td>
<td>0.9</td>
<td>3.4</td>
<td>18.2</td>
<td>39.4</td>
<td>38.2</td>
</tr>
<tr>
<td>I am more likely to buy a brand of alcoholic beverage from a company that is innovative and strives to continuously improve the quality of its products.</td>
<td>1.2</td>
<td>1.8</td>
<td>12</td>
<td>51.1</td>
<td>33.8</td>
</tr>
<tr>
<td>I am more likely to buy a brand of alcoholic beverage from a company that is sincere and honest.</td>
<td>0</td>
<td>1.8</td>
<td>14.8</td>
<td>48</td>
<td>35.4</td>
</tr>
<tr>
<td>I am more likely to buy a brand of alcoholic beverage from a company that is exciting i.e. Imaginative and up to date</td>
<td>0.3</td>
<td>2.5</td>
<td>14.5</td>
<td>51.1</td>
<td>31.7</td>
</tr>
<tr>
<td>I am more likely to buy a brand of alcoholic beverage that is sophisticated i.e. upper class</td>
<td>0</td>
<td>4.6</td>
<td>18.8</td>
<td>49.5</td>
<td>27.1</td>
</tr>
</tbody>
</table>

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

4.6.2 Brand Image and Consumer Purchase Decision

The study sought to understand the influence of brand image as one of the antecedents of brand association on the respondents purchase decision of alcoholic beverages. From the results and as indicated in table 4.12 below, 76.6% of the respondents indicated they were more likely to buy a brand they considered to be sophisticated, 89.6% were more likely to buy from a company that had a good reputation, 84.9% from a company that was credible and 82.7% from a company they perceived to be a market leader.

Also from the responses, 80.3% indicated that they were more likely to buy a brand of alcoholic beverage that could improve the way they were perceived by peers, 76.9% were more likely to buy a brand that was viewed by society as a status symbol, 82.2% would buy from a brand/company they would be proud of associating with, 81.6% were more likely to buy from a brand that had a unique brand image compared to others, 87.1% of the respondents admired people who consumed the same brand as they did and 91.7% were more likely to buy from a brand that was appealing and favorable and
Table 4.12 Descriptives for Brand Image

<table>
<thead>
<tr>
<th>Statement</th>
<th>SD %</th>
<th>D %</th>
<th>N %</th>
<th>A %</th>
<th>SA %</th>
</tr>
</thead>
<tbody>
<tr>
<td>I am more likely to buy an alcoholic beverage from a company that is</td>
<td>0</td>
<td>0.6</td>
<td>9.8</td>
<td>46.8</td>
<td>42.8</td>
</tr>
<tr>
<td>known to have a good reputation.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I would only consider buying a brand of alcoholic beverage from a</td>
<td>0.3</td>
<td>0.9</td>
<td>13.8</td>
<td>44.3</td>
<td>40.6</td>
</tr>
<tr>
<td>credible company.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I am more likely to buy a brand of alcoholic beverage from a company</td>
<td>0.3</td>
<td>1.8</td>
<td>15.1</td>
<td>45.5</td>
<td>37.2</td>
</tr>
<tr>
<td>that is known to be a market leader.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I am more likely to buy a brand of alcoholic beverage that could</td>
<td>0.3</td>
<td>4.3</td>
<td>15.1</td>
<td>43.1</td>
<td>37.2</td>
</tr>
<tr>
<td>improve the way I am perceived by my peers.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I am more likely to buy a brand of alcoholic beverage from a company</td>
<td>0</td>
<td>2.8</td>
<td>15.1</td>
<td>48</td>
<td>34.2</td>
</tr>
<tr>
<td>that I would be proud of associating with.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I am more likely to buy a brand of alcoholic beverage that is viewed by</td>
<td>2.5</td>
<td>3.1</td>
<td>17.5</td>
<td>47.7</td>
<td>29.2</td>
</tr>
<tr>
<td>society as a status symbol.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>My choice of alcoholic beverage has a very unique brand image compared</td>
<td>0.3</td>
<td>3.1</td>
<td>15.1</td>
<td>47.1</td>
<td>34.5</td>
</tr>
<tr>
<td>to others.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I respect and admire people who consume the same brand of alcoholic</td>
<td>0.9</td>
<td>2.5</td>
<td>9.5</td>
<td>50.2</td>
<td>36.9</td>
</tr>
<tr>
<td>beverage as I do.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I am more likely to buy a brand of alcoholic beverage that I feel is</td>
<td>0.6</td>
<td>1.2</td>
<td>6.5</td>
<td>47.1</td>
<td>44.6</td>
</tr>
<tr>
<td>appealing and favorable.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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

4.7 Purchase Decision

The study sought to gain insights on the determinants of consumer purchase decisions based on five constructs as presented in table 4.13 below. The results indicated that 87.1% of the respondents agreed that their choice of alcoholic beverage was influenced by the recommendations of family and friends while 91.7% indicated that their purchase decision was influenced by how they were viewed by the society. Eighty one point six percent of the respondents indicated that they compared available brands before making a purchase decision while 82.7% indicated they were satisfied with their current choice of alcoholic beverage. Finally, 89.6% of the respondents indicated that they were willing to continue purchasing their current brand of alcoholic beverages.
Table 4.13 Descriptives for Purchase Decision

<table>
<thead>
<tr>
<th>Description</th>
<th>SD (%)</th>
<th>D (%)</th>
<th>N (%)</th>
<th>A (%)</th>
<th>SA (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>PD1 I seek information/recommendation from friends and family before making a purchase of alcoholic beverage</td>
<td>0.9</td>
<td>2.5</td>
<td>9.5</td>
<td>50.2</td>
<td>36.9</td>
</tr>
<tr>
<td>PD2 I intend to continue purchasing my current brand of alcoholic beverage in future</td>
<td>0</td>
<td>0.6</td>
<td>9.8</td>
<td>46.8</td>
<td>42.8</td>
</tr>
<tr>
<td>PD3 My choice of alcoholic beverage depends on how I am viewed by society</td>
<td>0.6</td>
<td>1.2</td>
<td>6.5</td>
<td>47.1</td>
<td>44.6</td>
</tr>
<tr>
<td>PD4 I compare available alternative brands of alcoholic beverages before making a purchase</td>
<td>0.3</td>
<td>3.1</td>
<td>15.1</td>
<td>47.1</td>
<td>34.5</td>
</tr>
<tr>
<td>PD5 I am satisfied with my choice brand of alcoholic beverage</td>
<td>0.3</td>
<td>1.8</td>
<td>15.1</td>
<td>45.5</td>
<td>37.2</td>
</tr>
</tbody>
</table>

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

4.8 Measurement Model

The reliability, dimensionality and validity of measures were then assessed by employing exploratory factor analysis EFA and confirmatory factor analysis CFA techniques. Exploratory factor analysis was conducted first and included computation of factor loading matrix, communalities and principal components analysis (PCA) followed by Confirmatory factor analysis that evaluated the measurement model on multiple criterion i.e. the internal reliability as well as convergent and discriminant validity of the data.

4.8.1 Exploratory Factor Analysis

Factor analysis was conducted with the aid of the computer software SPSS to test the suitability of the data. Structure detection was assessed using the KMO and Bartlett’s Test of Sphericity. The results are as indicated in table 4.14 below where a value of .811 was extracted for Kaiser-Meyer-Olkin Measure of Sampling Adequacy which was above the recommended value of >.6 according to (Kaiser, 1974). The significance level <0.05 also indicated suitability of the data.
Table 4.14 KMO and Bartlett's Test

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Kaiser-Meyer-Olkin Measure of Sampling Adequacy</td>
<td>0.811</td>
</tr>
<tr>
<td>Bartlett's Test of Sphericity</td>
<td>Approx. Chi-Square</td>
</tr>
<tr>
<td></td>
<td>Df</td>
</tr>
<tr>
<td></td>
<td>Sig.</td>
</tr>
</tbody>
</table>

4.8.2 Total Variance Explained

Items in the individual variables were subjected to Principal Component Analysis (PCA) with promax rotation and the default principal components extraction method. The EFA output pointed to a four factors solution with no cross loadings, which accounted for a cumulative 64.86% of the total variance. The fact that all items loaded on a single factor indicated that the four dimensions were unidimensional. Figure 4.8 indicates the scree plot that was extracted which indicates that four out of the possible seventeen components had eigenvalues greater than one.

Figure 4.8 Scree Plot
4.8.3 Pattern Matrix

Communalities that measured the variability of each observed variable that could be explained by the extracted factors were checked. According to Pallant (2010), low communality values of less than 0.3 would indicate that the variables do not fit well with other variables in its component, and are therefore undesirable. Communalities for this study were all above 0.3 signifying satisfactory factorability. Table 4.15 below presents the simplified factor loading matrix or pattern matrix indicating the coefficients or "loadings" used to express the item in terms of the factors. In this study, the pattern matrix coefficients ranged from 0.585 to 0.863 and all the items loaded onto each of the four factors.
Table 4.15 Factor Loadings

<table>
<thead>
<tr>
<th>Factor</th>
<th>PQ</th>
<th>BAS</th>
<th>PD</th>
<th>BL</th>
</tr>
</thead>
<tbody>
<tr>
<td>PQ7</td>
<td>.730</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PQ3</td>
<td>.712</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PQ11</td>
<td>.705</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PQ14</td>
<td>.691</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PQ5</td>
<td>.645</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PQ13</td>
<td>.642</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PQ2</td>
<td>.632</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PQ8</td>
<td>.612</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PQ9</td>
<td>.601</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PQ10</td>
<td>.597</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PQ12</td>
<td>.560</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BAS13</td>
<td></td>
<td>.863</td>
<td></td>
<td></td>
</tr>
<tr>
<td>BAS6</td>
<td></td>
<td>.832</td>
<td></td>
<td></td>
</tr>
<tr>
<td>BAS8</td>
<td></td>
<td>.817</td>
<td></td>
<td></td>
</tr>
<tr>
<td>BAS14</td>
<td></td>
<td>.774</td>
<td></td>
<td></td>
</tr>
<tr>
<td>BAS12</td>
<td></td>
<td>.744</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PD1</td>
<td></td>
<td>.752</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PD2</td>
<td></td>
<td>.717</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PD5</td>
<td></td>
<td>.609</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PD3</td>
<td></td>
<td>.704</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PD4</td>
<td></td>
<td>.662</td>
<td></td>
<td></td>
</tr>
<tr>
<td>BL10</td>
<td></td>
<td>.674</td>
<td></td>
<td></td>
</tr>
<tr>
<td>BL13</td>
<td></td>
<td>.651</td>
<td></td>
<td></td>
</tr>
<tr>
<td>BL8</td>
<td></td>
<td>.647</td>
<td></td>
<td></td>
</tr>
<tr>
<td>BL14</td>
<td></td>
<td>.628</td>
<td></td>
<td></td>
</tr>
<tr>
<td>BL4</td>
<td></td>
<td>.557</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Extraction Method: Principal Component Analysis.
Rotation Method: Promax with Kaiser Normalization.
Rotation converged in 7 iterations
4.8.4 Confirmatory Factor Analysis.
CFA was then performed using AMOS software so as to assess the reliability and validity of the measures before being used in the research model. The CFA fit statistics of the overall measurement model for study variables was then extracted as shown in Table 4.16 below. From the model fit statistics, the CFA model fit the data adequately since the fit indices were within an acceptable range according to Gold, Malhotra and Segars (2001).

Table 4.16 Measurement Model Fits

<table>
<thead>
<tr>
<th>Measure</th>
<th>Estimate</th>
<th>Required</th>
<th>Interpretation</th>
</tr>
</thead>
<tbody>
<tr>
<td>CMIN</td>
<td>403.896</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>DF</td>
<td>180</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>CMIN/DF</td>
<td>2.244</td>
<td>&lt; 5</td>
<td>Acceptable</td>
</tr>
<tr>
<td>CFI</td>
<td>0.923</td>
<td>&gt; 0.90</td>
<td>Acceptable</td>
</tr>
<tr>
<td>GFI</td>
<td>0.895</td>
<td>&gt; 0.90</td>
<td>Acceptable</td>
</tr>
<tr>
<td>RMSEA</td>
<td>0.062</td>
<td>&lt; 0.08</td>
<td>Acceptable</td>
</tr>
<tr>
<td>P of Close</td>
<td>0.08</td>
<td>&gt; 0.05</td>
<td>Acceptable</td>
</tr>
</tbody>
</table>
Figure 4.9 Measurement Model
4.8.5 Reliability
Construct reliability was assessed by computing the composite reliability and Cronbach's alpha of the constructs. The Cronbach's alphas were all above the 0.7 value. Composite reliability of the items were all above the acceptable 0.7 threshold which means all the variables in the study passed the construct reliability tests as indicated in table 4.17 below.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Number of items</th>
<th>Composite Reliability &gt;0.7</th>
<th>Cronbachs Alpha &gt; 0.7</th>
</tr>
</thead>
<tbody>
<tr>
<td>Perceived Quality</td>
<td>6</td>
<td>0.843</td>
<td>.818</td>
</tr>
<tr>
<td>Brand Association</td>
<td>5</td>
<td>0.903</td>
<td>.908</td>
</tr>
<tr>
<td>Purchase Decision</td>
<td>5</td>
<td>0.819</td>
<td>.750</td>
</tr>
<tr>
<td>Brand Loyalty</td>
<td>5</td>
<td>0.769</td>
<td>.718</td>
</tr>
</tbody>
</table>

4.8.6 Convergent Validity
The convergent validity was assessed using average variance extracted (AVE) as depicted in table 4.18 below. The AVE values for perceived quality and brand association were 0.569 and 0.651 which was above the 0.5 threshold. The AVE values for purchase decision and brand loyalty were and 0.4 but were accepted because Fornell and Larcker (1981) asserted that if AVE is less than 0.5, but composite reliability is higher than 0.6, the convergent validity of the construct was still adequate. Therefore convergent validity was confirmed since the composite reliability for all the constructs were above 0.7. This indicated that the measurement scales exhibited adequate measurement validity according to Hair (2006).

4.8.7 Discriminant Validity
Table 4.18 below presents the component correlation matrix where the diagonal elements in bold are the square root of the average variance extracted of the latent constructs. According to Compeau, Higgins and Huff (1999), discriminant validity is assumed if the
diagonal elements are higher than other diagonal elements in their rows and columns. Discriminant validity was therefore confirmed for the measurement model.

Table 4.18 Component Correlation Matrix

<table>
<thead>
<tr>
<th>Component</th>
<th>AVE</th>
<th>Perceived Quality</th>
<th>Brand Association</th>
<th>Purchase Decision</th>
<th>Brand Loyalty</th>
</tr>
</thead>
<tbody>
<tr>
<td>Perceived Quality</td>
<td>0.569</td>
<td>0.754</td>
<td>0.807</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Brand Association</td>
<td>0.651</td>
<td>.247</td>
<td></td>
<td>0.691</td>
<td></td>
</tr>
<tr>
<td>Purchase Decision</td>
<td>0.477</td>
<td>.448</td>
<td>-.115</td>
<td></td>
<td>0.633</td>
</tr>
<tr>
<td>Brand Loyalty</td>
<td>0.4</td>
<td>.193</td>
<td>-.240</td>
<td>.423</td>
<td></td>
</tr>
</tbody>
</table>

Extraction Method: Principal Component Analysis.
Rotation Method: Promax with Kaiser Normalization

4.9 Structural Model

Structural equation modeling was performed using IBM Amos software and the structural model fits presented in table 4.19 below. The structural model fit the data adequately since the fit indices were within an acceptable range according to (Gold et al., 2001).

Table 4.19 Structural Model Fit

<table>
<thead>
<tr>
<th>Measure</th>
<th>Estimate</th>
<th>Threshold</th>
<th>Interpretation</th>
</tr>
</thead>
<tbody>
<tr>
<td>CMIN</td>
<td>331.805</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>DF</td>
<td>155</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>CMIN/DF</td>
<td>2.141</td>
<td>&lt; 5</td>
<td>Acceptable</td>
</tr>
<tr>
<td>CFI</td>
<td>.931</td>
<td>&gt; 0.90</td>
<td>Acceptable</td>
</tr>
<tr>
<td>GFI</td>
<td>.911</td>
<td>&gt; 0.90</td>
<td>Acceptable</td>
</tr>
<tr>
<td>RMSEA</td>
<td>.059</td>
<td>&lt; 0.08</td>
<td>Acceptable</td>
</tr>
<tr>
<td>P of Close</td>
<td>0.056</td>
<td>&gt; 0.05</td>
<td>Acceptable</td>
</tr>
</tbody>
</table>
Figure 4.10 Structural Model
4.10 Path Coefficients

Table 4.20 below indicates the standardized and unstandardized beta values, standard errors as well as t and p values. The standardized beta values have been used to determine the strength of the effect of each individual independent variable to the dependent variable i.e. effect of brand loyalty, perceived quality and brand association on consumer purchase decisions.

### Table 4.20 Path Coefficients

<table>
<thead>
<tr>
<th>Paths</th>
<th>Unstandardized Estimates</th>
<th>Standardized Estimates</th>
<th>S.E.</th>
<th>T values</th>
<th>P values</th>
</tr>
</thead>
<tbody>
<tr>
<td>PD &lt;- BL</td>
<td>.630</td>
<td>.555</td>
<td>.158</td>
<td>3.985</td>
<td>***</td>
</tr>
<tr>
<td>PD &lt;- PQ</td>
<td>.154</td>
<td>.244</td>
<td>.042</td>
<td>3.641</td>
<td>***</td>
</tr>
<tr>
<td>PD &lt;- BAS</td>
<td>-.103</td>
<td>-.168</td>
<td>.037</td>
<td>-2.805</td>
<td>.005</td>
</tr>
</tbody>
</table>

4.10.1 Brand Loyalty and Consumer Purchase Decision of Alcoholic Beverages

Brand loyalty was found to have a positive and statistically significant moderate relationship with consumer purchase decision. The path coefficient was positive and significant at the 0.05 level i.e. (β=.555, T-value = 3.985 and p<0.05) as indicated in table 4.16 and figure 4.10 above.

4.10.2 Perceived Quality and Consumer Purchase Decision of Alcoholic Beverages

Perceived Quality was found to have a positive and statistically significant negligible relationship with consumer purchase decision. The path coefficient was positive and significant at the 0.05 level i.e. (β=0.244, T-value =3.985 p<0.05) as indicated in table 4.16 and figure 4.10 above.

4.10.3 Brand Association and Consumer Purchase Decision of Alcoholic Beverages

Brand association was found to have a negative and statistically significant negligible relationship with consumer purchase decision. This was deduced to indicate that brand association impacted negatively on consumer purchase decision. The path coefficient was negative and significant at the 0.05 level (β= -0.168, T-value = -2.805 p<0.05) as indicated in table 4.16 and figure 4.10.
4.11 Predictive Relevance of the Model
The quality of the structural model can be assessed by $R^2$ that indicates the variance in the endogenous variable that is explained by the exogenous variables. Based on the results reported in figure 4.1, the $R^2$ was found to be 0.503 indicating that brand loyalty, perceived quality and brand association accounted for 50.3% of the variance in consumer purchase decision.

4.12 Summary
This chapter highlighted the data analysis, results and findings. The study findings regarding brand loyalty and consumer purchase decisions revealed that there exists a positive and statistically significant relationship between them $r (0.55); p \leq 0.05$. The study findings regarding perceived quality and consumer purchase decision revealed a positive and statistically significant relationship between them $r (0.244); p \leq 0.05$. The study findings regarding brand association and consumer purchase decision revealed a negligible negative relationship between them $r (-0.168); p \leq 0.05$. Chapter five presented the study summary, discussions, conclusions, and recommendations for improvement.
CHAPTER FIVE

5.0 DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction
This chapter involved the analysis and discussion of the findings in the previous chapter with regards to the general and specific objectives of the study. Conclusions and recommendations were also drawn in the chapter. It also provided a summary of the objectives of the study, the results and findings of the specific research objectives and the research methodology used.

5.2 Summary
The general objective of the study was to determine the influence of brand equity on consumer purchase decisions of alcoholic beverages in Nairobi. Literature suggests that brand equity components affect consumers differently across the different product categories. Therefore the specific objectives were to determine the influence of brand loyalty, perceived quality and brand associations on the purchase decision of alcoholic beverage consumers in Nairobi. The study adopted a descriptive research design specifically the cross sectional study design due to its flexibility and inexpensive nature making it suitable for the study. The population for this study consisted of consumers of branded alcoholic beverages in Nairobi’s Kasarani district comprising different age groups, incomes, gender, taste and preferences.

Systematic sampling was used to gather responses from respondents in Kasarani district which had over 989 licensed alcoholic drinks retail outlets. Krejcie and Morgan’s (1970) sample size determination table was used to determine the study’s sample size of 384. A structured questionnaire that adopted a likert scale of 1=SD to 5=SA was used to collect primary data from 400 respondents prior to which a pilot study had been conducted to test the reliability of the data and questionnaire items. The collected data was analyzed by way of descriptive and inferential statistics with the aid of SPSS. Descriptive statistics analyzed using frequencies, percentages and mean and the results were presented using tables and figures. Inferential statistical analysis for the study included multiple regression analysis used to determine the level of significance in relationship between brand equity dimensions and consumer purchase decision.
From the analysis, brand loyalty was found to have a positive and moderately significant relationship with consumer purchase decision. The path coefficient was positive and significant at the 0.05 level i.e. \(\beta=0.555, \text{T-value} =3.963 \ p<0.05\). The positive relationship was interpreted to mean that if brand loyalty increased by 1, consumer purchase decision of the respondents would increase by 0.555.

Perceived quality on the other hand was found to have a positive and statistically significant relationship with consumer purchase decision. The path coefficient was positive and significant at the 0.05 level \(\beta=0.244, \text{T-value} =3.641 \ p<0.05\). It was deduced to mean that an increase in perceived quality led to a positive increase in consumer purchase decision. Brand association was found to have a negative and statistically significant relationship with consumer purchase decision. It was deduced to indicate that brand association impacted negatively on consumer purchase decision. The path coefficient was negative and significant at the 0.05 level \(\beta= -0.168, \text{T-value} = -2.805 \ p<0.05\).

In regression analysis, the \(R^2\) value indicated a 50.3\% variance in consumer purchase decision of alcoholic beverages in Nairobi is explained by the factors brand loyalty, perceived quality and brand association. Therefore suggesting that unknown factors not included in the study contributed to 49.7\% of the variation in the consumer decision making in alcoholic beverages in Nairobi.

5.3 Discussion

5.3.1 Brand Loyalty and Consumer Purchase Decision of Alcoholic Beverages in Nairobi

The study findings on influence of brand loyalty on purchase decision revealed that there exists a positive relationship between brand loyalty and consumer purchase decision i.e. \(r (0.555); p \leq 0.05\). The study also revealed that the relationship was significant. Descriptive results indicated a relationship between brand loyalty and consumer choice much like previous study’s findings. Lovelock and Whyatt (2011) asserted that brand loyalty has been used in the business context to describe a customer’s willingness to continue patronizing a firm over the long term and preferably on an exclusive basis, and recommending the firm’s products to friends and associates. From the study, seventy seven point six percent of the respondents indicated that they intended to
continue purchasing their choice brand of alcoholic beverages regardless of other brands available in the market while eighty two point two percent indicated their willingness to recommend their choice brand to friends.

Giddens (2002) asserted that brand loyalty meant that consumers would tend to pay high prices to a certain brand within the same product group and would advise that brand to the people around them. The results of this study indicated that 81.6% of the respondents were willing to purchase their choice brand of alcoholic beverage even if the price was higher than competing brands. According the high number of brands that serve the same purpose to change their brand easily and make the creation of brand loyalty difficult (Wood, 2004).

According to Dimitriades (2006), it is widely accepted that satisfied consumers are less price sensitive, less influenced by competitors’ attack and loyal to the firm longer than dissatisfied customers. This theory has been confirmed with the study results indicating that 79.4% of the respondents indicated that they were more likely to buy a brand that fully satisfied them while 84% were indicated that they were satisfied with their current brand choice of alcoholic beverage, 77.2% of the respondents considered themselves to be highly loyal to one brand while 80.6% of the respondents were willing to continue purchasing their brand of beverage even with an increase in its price. 82.2% of the respondents indicated that they were willing. This confirms that loyal consumers were less price sensitive.

Agustin and Singh (2005) define trust as a consumer’s confident beliefs that he or she can rely on the brand to deliver promised services or products. From the study 82.8% of the respondents are more likely to buy from a brand they highly trust while 87% were more likely to buy a brand of alcoholic beverage that they trusted to be safe. 82.2% of the respondents indicated that they were willing to pay a premium price for a brand that offered them a unique experience. According to Hawkins, Best and Coney (2001), brand loyalty results in an emotional attachment to the brand, which is driven primarily by commitment and affection. The consumer develops affection for the brand in a manner similar to a friendship (Ball, Coelho & Machas, 2004). This has been confirmed by the study where 83.4% of the respondents indicated that their brand was typically their first
choice in mind while 82.5% of the respondents said positive things about their choice brand.

If consumers primarily use the products of a particular company in preference to the products of competing companies, they are absolutely brand loyal (Keller, 2008). 77.2% of the respondents indicated that if their choice brand was not available in one store, they would search for it somewhere else. Yi and Jeon (2003) defined loyalty programs as marketing programs that are designed to build customer loyalty by providing incentives to profitable customers and is often based on several propositions.

Evanschitzky et al. (2011) asserted that gaining customer loyalty was an important goal of marketing, and loyalty programs are intended to help in reaching it. According to Bolton, Kannan, and Bramlett (2000), the goal of a loyalty program is to establish a higher level of customer retention in profitable segments by providing more satisfaction and value to certain customers. From the study, 83% of the respondents revealed that they were more likely to buy a brand of alcoholic beverages from a company that had reward scheme programs for its loyal customers while 82.8% indicated that they were more likely to buy a brand of alcoholic beverage from a company that cared about its customers.

5.3.2 Perceived Quality and Consumer Purchase Decision of Alcoholic Beverages in Nairobi

The study findings on the influence of perceived quality on consumer purchase decision revealed that there exists a positive relationship between perceived quality and consumer purchase decision i.e. $r (0.244) ; p \leq 0.05$. The study also revealed that the relationship was significant. Perceived quality has been defined in different literature over the years and one thing that stands out is the aspect of perception on the part of the consumer. For example; Aaker (1991) defined perceived quality as the customer’s perception of the overall quality or superiority of a product or service with respect to its intended purpose and relative to alternatives, Masika (2013) defines it as the perception of superiority of a brand when compared to alternative brands in a competitive set and it is therefore considered the consumer’s subjective assessment of a product’s superiority or excellence.

Perceived quality provides consumers with value and gives them a reason to differentiate one brand from the other. From the study 76.6% of the respondents agreed that they compare and contrast the various alcoholic brands and typically buy the one exhibiting
superior characteristics. Yee and San (2011) asserted that consumers compare the quality of alternatives with regard to price within a category. This can be supported with the fact that 79.4% of the respondents in the study agreed that they are more likely to buy a brand of alcoholic beverage that they believe offers value for money. Perceived quality is therefore a critical element in consumer decision making. Mohan (2014) asserts that perceived quality is directly related to the reputation of the firm that manufactures it. This has been substantiated with the finding that 80.3% of the respondents agreed that they were more likely to buy a brand of alcoholic beverage from a company they perceived to be a leader.

It is therefore used as a key factor by firms that seek to create competitive advantage in their relative industry. Muigai (2017) concluded that perceived product quality can be significantly different from the actual manufacturing product quality such that even though the actual quality of a product is good, it is possible that consumer perceptions about the products may be negative. Aaker (2010) envisioned seven perceived quality dimension which include; performance, features, conformance, reliability, durability, serviceability and finally fit and finish.

From the study, 87.7% of the respondents indicated that they were more likely to buy an alcoholic beverage from a company that is consistent while 70.2% agreed that imported brands were more appealing than local brands of alcoholic beverages. According to Koschate-Fischer, Diamantopoulos and Oldenkotte (2012) results of three complementary experimental studies revealed that country of origin indeed had a positive impact on willingness to pay. This has been substantiated by the fact that 71% of the respondents agreed that they were willing to pay a higher price for an imported brand of alcoholic beverage and also 74.4% perceived imported brands as being more trustworthy than local brands. Khan and Bamber (2008) noted that country of origin served as a cue from which consumers could make inferences about product and product attributes.

According to Wang and Yang (2008), consumers in emerging markets perceived imported products from developed markets to be of superior quality, and products from other emerging markets to be of similar or inferior quality to their domestic products. From the study, 74.8% of the respondents indicated that the country of origin of the brand of alcoholic beverage was important while 70.2% indicated that imported alcoholic
beverages are more superior in quality than local brands. Thakor and Kohli (2003) suggested that less concern should be given to the place where brands manufacture their products, and more to the place where people perceive the brand’s country of origin to be. Aaker (2010) asserted that a stronger brand with positive perceived quality has a higher probability of success if it extends further compared to a weaker brand.

5.3.3 Brand Association and Consumer Purchase Decision of Alcoholic Beverages in Nairobi

The study findings on the influence of brand associations on consumer purchase decisions revealed that there exists a negative relationship between brand association and consumer purchase decision i.e. r (-0.168); p ≤ 0.05. The study also revealed that the relationship was significant. Contrary to the numerous literature indicating a positive and significant relationship between brand association and consumer decision making, the findings of the study indicated a lack of positive and relationship between brand association and purchase decision in as far as alcoholic brands are concerned. However the correlation is negligible and could be taken to mean that brand association isn’t an important factor in consumer decision making in as far as alcoholic beverages are concerned. Keller (2013) defined brand associations as informational nodes linked to the brand in memory that contains the meaning of the brand for consumers.

Therefore brand associations are important to marketers and consumers. According to Sweeney and Brandon (2006), consumers can easily view a brand as having a friendly or exciting personality due to advertisers’ continuous attempts to humanize and anthropomorphize the brand. This has been confirmed by the study in that 77.6% of the respondents would most likely buy a brand that reflects their individual personality in terms of practicality and flamboyance.

The brand personality scale developed by Aaker (2000) consisted of five generic dimensions namely sincerity, excitement, competence, sophistication and ruggedness. The study sought to test Aaker’s scale and the results confirmed the scale with 83.4% of the respondents indicating they would more likely buy from a sincere and honest firm, 82.8% would most likely buy from a brand that is exciting i.e. imaginative and up to date, 84.9% would more likely buy from a company that is innovative and strives to continuously improve the quality of its products, Eighty nine point six percent of the
respondents indicated that they would most likely buy from a company that is known to have a good reputation while 76.6% were more likely to buy from a brand that is considered sophisticated and upper class.

Since the creation of Aaker’s scale, the study has been replicated using various consumer brands within different product categories and across different cultures. Roy and Banerjee (2008) asserted that brand image describe the consumer’s thoughts and feelings towards the brand. According to Rubio, Oubiña and Villaseñor (2013), consumers ascribe high quality to esteemed brands, 82.7% of respondents agreed that they were more likely to purchase from a company that was perceived to be a market leader. Therefore, brand image is the overall mental image that consumers have of a brand, and its uniqueness in comparison to the other brands (Faircloth, 2005).

According to Iversen and Hem (2008), brand image represents the personal symbolism that consumers associate with the brand, which comprises of all the descriptive and evaluative brand related information. From the study, 80.3% of the respondents were more likely to buy a brand that would improve their perception by peers, 76.9% bought a brand that is viewed as a status symbol by society and finally 87.1% indicated that they admired and respected consumers who consumed the same brand as they did.

Therefore, when consumers have a favorable brand image, the brand’s messages have a stronger influence in comparison to competitor brand messages (Hsieh & Li, 2008). From the results, 81.6% of the respondents agreed that their brand had a unique brand image compared to others while 91.7% were more likely to purchase from a brand that was appealing and favorable. In terms of organizational associations, one of the three measures of brand associations or differentiation as described by Aaker, 82.2% of respondents indicated that they would likely purchase from a brand they are proud of associating with. The results acknowledge the assertions of Burmann, Schaefer and Maloney (2008) that brand image is an important determinant of a buyer’s behavior.
5.4 Conclusion

5.4.1 Brand Loyalty and Consumer Purchase Decision of Alcoholic Beverages in Nairobi
The study has established the existence of a moderate positive relationship between brand loyalty and consumer purchase decisions which indicated that strong brand loyalty positively affected consumer purchase decisions. Therefore, brand loyalty plays an important role in consumer purchase decision since it increases the probability of a brand being considered by consumers from a collection of brands to choose from. Furthermore, it has also been determined that consumer satisfaction, brand trust and loyalty programs are key determinants of brand loyalty.

Moreover, majority of consumers in their purchase decisions opted to buy familiar brands. Hence higher levels of brand loyalty increase the probability of a successful purchase decision among competing brands, produces greater consumer loyalty, and decreases the vulnerability of consumers to competitors marketing actions thereby ultimately increasing sales.

5.4.2 Perceived Quality and Consumer Purchase Decision of Alcoholic Beverages in Nairobi
Perceived quality was established in both literature and in this study as an important factor in consumer purchase decision. Its subjective nature as a perception by customers means that alcoholic beverage companies should strive to create and maintain a favorable and positive perceived as well as actual quality by; exceeding the expectations of consumers; maintaining product consistency and fostering a favorable company reputation. It was concluded from the study that both real and perceived product quality were crucial determinants in consumer purchase decisions of alcoholic beverages since having a favorable perceived product quality meant consumers were more likely to buy your product over competitors’ offerings.

The country of origin was also established as an important factor in consumer purchase decision of alcoholic beverages in Nairobi with a majority of the respondents indicating their preference for imported alcoholic beverages as well as the willingness to pay a premium price for foreign brands of alcoholic beverages. However, country of origin could only be leveraged if the effects were favorable for the company.
5.4.3 Brand Associations and Consumer Purchase Decision of Alcoholic Beverages in Nairobi

Brand association was identified to constitute brand personality and brand image. Consumers can relate more with brands that portray the same personality as they do. Attributes such as innovativeness, sincerity and honesty, sophistication, excitement, credibility and leadership enhance positive brand association ultimately influencing consumer purchase decisions. A favorable brand image positively influences consumer purchase decisions as consumers attach greater value to brands perceived to have a unique image. It also increases loyalty, commands a price premium and generates positive word of mouth.

Although the results of the study indicated a negligible relationship between brand association and consumer purchase decisions, descriptive results for the variable indicated that favorable brand associations influence consumer choice. Literature has also shown that maintaining positive brand associations is crucial for companies that want to boost their performance.

5.5 Recommendations

5.5.1 Recommendations for Improvement

5.5.1.1 Brand Loyalty and consumer purchase decision of alcoholic beverages in Nairobi

Alcoholic beverage manufacturers should invest and engage in brand loyalty building activities with the main aim of achieving true brand loyalty. Complete satisfaction, brand trust and loyalty programs have been found to increase brand loyalty and ultimately reduces the vulnerability of a company. Therefore firms should strive to protect and increase their market share and increase repeat purchases. Since there is stiff competition in the alcoholic beverage industry because the product serves the same purpose, companies should strive to; fully satisfy their customers since satisfied customers were less price sensitive, less influenced by competitor offerings and remained loyal longer to the firm; Build brand trust by keeping their promises of providing high quality and consistent products with the aim of building a strong and long term relationship; Tailor a differentiated loyalty program strategy that provides incentives and rewards loyal customers of the company.
5.5.1.2 Perceived Quality and consumer purchase decision of alcoholic beverages in Nairobi

Alcoholic beverage companies that are keen on creating favorable perceived quality should capitalize on word of mouth marketing to improve their products perception since consumers who create positive word of mouth about a product enable the firms products to be perceived to be of good quality. Companies should also consider offering differentiated brand categories to cater for the different market segments since different consumers have different purchasing powers; some expect value for money while some are looking for a reason to buy and are therefore willing to pay a premium price for a differentiated or sophisticated product.

Therefore maintaining consistency is key to creating favorable perceived quality. Manufacturers should also capitalize on country of origin marketing as a strategy if it is favorable and to refrain from it if unfavorable. This is because some consumers perceive brands for certain countries as superior and are willing to pay a premium price for them while others perceive them as inferior and will avoid them.

5.5.1.3 Brand Association and consumer purchase decision of alcoholic beverages in Nairobi

Alcoholic beverage manufacturers need to create and maintain positive brand associations in consumer minds. Marketers should tailor their promotional messages of their brands to portray a personality that consumers can relate to hence influencing on their purchase decision towards the brand. They also need to ensure that they consistently maintain an identity that their consumers can link to positive cues i.e. creating a brand identity. Companies should also invest in creating and maintaining attributes which consumers subscribe to such as their credibility, innovativeness, honesty and sincerity. Creating and maintaining a positive brand image is also key in determining consumer purchase decisions hence alcoholic beverage manufacturers should strive to do so.

5.5.2 Recommendations for Further Studies

The study focused on the alcoholic beverage industry alone. Therefore, future research focus on other consumer product categories such as fast moving consumer goods so as to investigate the contribution of brand equity factors towards consumer purchase decisions.

65
Future research can also be conducted to measure factors other than brand equity that may influence consumer purchase decision of alcoholic beverages so as to gain a more holistic understanding of the concept of brand equity. Finally, the study focused on one geographical area of Nairobi, therefore the geographic area can be expanded to accommodate a larger population.
REFERENCES


Fornell, C., & Larcker, D. F. (1981). Structural equation models with unobservable variables and measurement error: Algebra and statistics.


72


Trott, S., & Soble, V. V. (2016). Brand Equity: An Indian Perspective. PHI Learning Pvt. Ltd.


APPENDICES

APPENDIX I: LETTER OF INTRODUCTION

P.O Box 56928-00200,
Nairobi.

Dear Sir/Madam,

RE: LETTER OF INTRODUCTION

I am a student at the United States International University (USIU-AFRICA) currently pursuing a Master’s degree in Business Administration. In partial fulfillment of the program, I am working on a research project entitled, *Influence of Brand equity on Consumer Purchase Decision of Alcoholic Beverages in Nairobi*. The objectives of this study will be to determine the extent in which brand loyalty, perceived quality and brand associations affect consumer choice of alcoholic beverages in Nairobi County.

I hereby request for your permission and assistance towards the completion of the study by allowing me to conduct the study within your premises. I declare to abide by the University rules and guidelines concerning research undertaking and to observe utmost ethical standards in the process of conducting the research.

The study will be beneficial to local alcoholic beverage manufacturers since the findings will answer numerous questions regarding the consumer resulting in better product offerings in terms of quality and variety.

Yours Sincerely

Barmasai Felix Kiprino
APPENDIX II: QUESTIONNAIRE

The purpose of this study is to determine the Influence of Brand Equity on Consumer Choice of Alcoholic Beverages in Nairobi

The following questionnaire is divided into five sections for ease of administration. It will require approximately 10 minutes to complete. Data collected from this questionnaire is for academic purposes only. For confidentiality, kindly do not include your name. Participation is strictly voluntary. If you choose to participate in this exercise, kindly answer all questions as honestly as possible.

SECTION ONE: GENERAL INFORMATION

Please tick ONE appropriate box below

1. Gender: Male [ ] Female [ ]

2. Age: 18 – 25 [ ] 26 – 33 [ ] 34 – 41 [ ] 40 and above [ ]

3. Education Level: Secondary [ ] College [ ] University [ ]

4. Occupation: Student [ ] Employed [ ] Self-Employed [ ] Unemployed [ ] Retired [ ]

5. Average Monthly Income in KSh: Below 20,000 [ ] 20,001 – 40,000 [ ] 40,001 – 60,000 [ ] 60,001 – 80,000 [ ] Over 80,001 [ ]

6. Marital Status: Single [ ] Married [ ] Other ……………………………

7. Which alcoholic beverages among the following do you prefer/consume:

   Beer [ ] Spirits [ ] Wine [ ] Liqueur [ ] Undecided [ ]

8. Is the brand local or foreign in Origin Local [ ] Foreign [ ]

9. Kindly specify the Brand Manufacturer/Distributor: EABL [ ] KEROCHE [ ] KWAL [ ] I don’t know [ ] Others ……………………………
9. On average, how often do you consume an alcoholic beverage:

- Everyday [   ]
- Once a week [   ]
- 2-3 times per week [   ]
- 4-5 times per week [   ]
- Once a month [   ]
- 2-5 times per month [   ]

SECTION TWO: BRAND LOYALTY

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

<table>
<thead>
<tr>
<th>No.</th>
<th>Brand Loyalty</th>
<th>SD</th>
<th>D</th>
<th>N</th>
<th>A</th>
<th>SA</th>
</tr>
</thead>
<tbody>
<tr>
<td>BL 1</td>
<td>I am more likely to buy a brand of alcoholic beverages from a company that fully satisfies me.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>BL 2</td>
<td>I am more likely to buy a brand of alcoholic beverage that I would be willing to recommend to my friends.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>BL 3</td>
<td>I intend to continue purchasing my current brand of alcoholic beverage regardless of other brands available in the market.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>BL 4</td>
<td>I am more likely to buy a brand of alcoholic beverage from a company that I take a keen interest in.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>BL 5</td>
<td>I am more likely to buy a brand of alcoholic beverage from a brand that is on a regular basis, typically my first choice.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>BL 6</td>
<td>Overall, I am satisfied with the decision to purchase from my current brand of alcoholic beverage.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>BL 7</td>
<td>I am more likely to buy alcoholic beverages from a brand that I highly trust.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>BL 8</td>
<td>I consider myself to be highly loyal to one brand of alcoholic beverage.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>BL 9</td>
<td>I say positive things about my brand of alcoholic beverages to other people i.e. friends, family</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>BL 10</td>
<td>If my brand is not available in one store when I need it, I will search for it and buy it somewhere else.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>BL 11</td>
<td>I am more likely to buy a brand of alcoholic beverages that I trust to meet my expectations.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>BL 12</td>
<td>I am more likely to buy a brand of alcoholic beverage that I trust to be safe.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>BL 13</td>
<td>I am still willing to buy my brand of alcoholic beverages even if its price is higher than that of other competing brands.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>BL 14</td>
<td>I am still willing to buy my brand of alcoholic beverage even with an increase in its price.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>
I am willing to pay a premium price for a brand of alcoholic beverage that provides me a unique experience i.e. taste

I am more likely to buy a brand of alcoholic beverages from a company that has rewards schemes to its loyal customers.

I will definitely consider buying a brand of alcoholic beverage from a company that cares about its loyal customers.

SECTION THREE: PERCEIVED QUALITY

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

<table>
<thead>
<tr>
<th>No.</th>
<th>Perceived Quality</th>
<th>SD</th>
<th>D</th>
<th>N</th>
<th>A</th>
<th>SA</th>
</tr>
</thead>
<tbody>
<tr>
<td>PQ 1</td>
<td>I am more likely to purchase a brand of alcoholic beverage from a company that makes good quality products.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>PQ 2</td>
<td>I am more likely to purchase a brand of alcoholic beverage that has the best taste.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>PQ 3</td>
<td>I compare and contrast the various alcoholic brands and typically buy the one exhibiting superior characteristics.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>PQ 4</td>
<td>I am more likely to purchase a brand of alcoholic beverage from a company that I trust the quality of its products.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>PQ 5</td>
<td>I am more likely to buy an alcoholic beverage from a company that gives me a reason to buy i.e. benefits.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>PQ 6</td>
<td>I am more likely to purchase a brand of alcoholic beverage from a company that is consistent.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>PQ 7</td>
<td>I am more likely to buy a brand of alcoholic beverage that is different from other brands i.e. premium quality</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>PQ 8</td>
<td>I am more likely to buy a brand of alcoholic beverage from a company I perceive to be a leader.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>PQ 9</td>
<td>I am more likely to buy a brand of alcoholic beverage that I believe offers value for money.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>PQ 10</td>
<td>The country of origin is an important factor to me when buying a brand of alcoholic beverage.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>PQ 11</td>
<td>I am more likely to buy an imported brand of alcoholic beverage because of its superior quality compared to the locally manufactured brands.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>No.</td>
<td>Brand Association</td>
<td>SD</td>
<td>D</td>
<td>N</td>
<td>A</td>
<td>SA</td>
</tr>
<tr>
<td>------</td>
<td>-----------------------------------------------------------------------------------</td>
<td>----</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>----</td>
</tr>
<tr>
<td>PQ 12</td>
<td>I am willing to pay a higher price for an imported brand of alcoholic beverage than a locally manufactured brand.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>PQ 13</td>
<td>Imported brands of alcoholic beverages are more visually appealing in appearance than locally manufactured.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>PQ 14</td>
<td>If asked to choose between an imported brand of alcoholic beverage and a locally manufactured brand, I would pick the imported brand.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>PQ 15</td>
<td>Imported brands of alcoholic beverages are more trustworthy than locally manufactured brands.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>PQ 16</td>
<td>I would prefer to buy an imported brand of alcoholic beverage because it changes how I am perceived by peers.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>

**SECTION FOUR: BRAND ASSOCIATIONS**

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).

<table>
<thead>
<tr>
<th>No.</th>
<th>Brand Association</th>
<th>SD</th>
<th>D</th>
<th>N</th>
<th>A</th>
<th>SA</th>
</tr>
</thead>
<tbody>
<tr>
<td>BAS 1</td>
<td>I am more likely to buy a brand of alcoholic beverage that reflects my individual personality i.e. Practical, Flamboyant.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>BAS 2</td>
<td>I am more likely to buy a brand of alcoholic beverage from a company that is innovative and strives to continuously improve the quality of its products.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>BAS 3</td>
<td>I am more likely to buy a brand of alcoholic beverage from a company that is sincere and honest.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>BAS 4</td>
<td>I am more likely to buy a brand of alcoholic beverage from a company that is exciting i.e. Imaginative and up to date</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>BAS 5</td>
<td>I am more likely to buy a brand of alcoholic beverage that is sophisticated i.e. upper class</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>BAS 6</td>
<td>I am more likely to buy an alcoholic beverage from a company that is known to have a good reputation.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>BAS 7</td>
<td>I would only consider buying a brand of alcoholic beverage from a credible company.</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>
### SECTION FIVE: CONSUMER PURCHASE DECISION

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

<table>
<thead>
<tr>
<th>No.</th>
<th>Purchase Decision</th>
<th>SD</th>
<th>D</th>
<th>N</th>
<th>A</th>
<th>SA</th>
</tr>
</thead>
<tbody>
<tr>
<td>PD1</td>
<td>I seek information/recommendation from friends and family before making a purchase of alcoholic beverage</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>PD2</td>
<td>I intend to continue purchasing my current brand of alcoholic beverage in future</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>PD3</td>
<td>My choice of alcoholic beverage depends on how I am viewed by society</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>PD4</td>
<td>I compare available alternative brands of alcoholic beverages before making a purchase</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>PD5</td>
<td>I am satisfied with my choice brand of alcoholic beverage</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
</tbody>
</table>