

**Effect of Brand Equity on Consumer Purchasing Decision of
Domestic Shoes products: In the case of Nifas Silk Lafto
Sub-City, Addis Ababa**

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DECLARATION

I declare that the research Report entitled “Effect of Brand Equity on Consumer Purchasing Decision of Domestic Shoes Products: In the case of Nifas Silk Lafto Sub-City, Addis Ababa” **submitted** to Research and Postgraduate Studies’ Office of Business and Economics College is original and it has not been submitted previously in part or full to any university.

Date: _____

Statement of Certification

We certify that the Research Report entitled “Effect of Brand Equity on Consumer Purchasing Decision of Domestic Shoes products: In the case of Nifas Silk Lafto Sub-City, Addis Ababa” was done by Mr. Mustofa Abdella for the partial fulfillment of Master’s Degree under our Supervision.

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List of Abbreviations and Acronyms

AGOA = African Growth and Opportunity Act

ANOVA = Analysis of Variance

BA = Brand Association

BE = Brand Equity

BL= brand loyalty

BNA= Brand Name Awareness

CBBE = Customer Based Brand Equity

CSR = Corporate Social Responsibility

e.g. = For Example

ELIDI = Ethiopian Leather Industry Development Institute

FMCG = Fast Moving Consumer Goods

H = Hypothesis

i.e. = that means

PP = Pages

SD = Standard deviations

Sig. = Significance

SMCG = Slow Moving Consumers Goods

SPSS = Statistical Package for the Social Sciences

VIF = Variance Inflation Factor

β = Coefficients of an Equation

Abstract

This study has empirically examined the effect of brand equity on consumer purchasing decision of domestic shoes products in the case of Nifas Silk Lafto Sub-City, Addis Ababa. To achieve the objectives of this study explanatory research design was used. Data was collected through close ended questionnaire from a sample of 384 consumers that are selected using non probability convenient sampling method. The data collected from the questionnaire was analyzed using SPSS version 21. Statistical tools such as mean, standard deviation, correlation, and multiple regression analysis were used to reach to the final findings and conclusion. The findings of the study showed that all the four dimensions of brand equity have strong impact on consumer purchasing decision of consumers, the most significant being Brand Awareness and Perceived Quality just by a slight difference. We can thus conclude that when consumers are attached and familiar towards a brand, i.e. when they are well aware of the brand, they are likely to decide to purchase and this only happens when they have good perception about the quality of the brand. So, it is very essential for marketers that not only should they introduce their brand properly but also should work on customer based quality standards to meet customers' expectation. Brand Loyalty and Brand Association also have their own significant effect in the purchasing decision, according to this study. We can thus conclude that when consumers are attached and loyal towards a brand they are likely to do repeat purchases and this happens when the relationship between the brand and the user is in depth and has an emotional connection, i.e when there is brand association. In general, a step by step process should be taken from defining who the brand is (brand awareness), to creating brand quality perception so that the consumers can evaluate it positively and form a strong association that will result in strong bond (brand loyalty) to impact consumers purchasing decision positively.

Key Words: *brand equity, brand awareness, perceived quality, brand loyalty, brand association, consumer purchasing decision.*

CHAPTER ONE

INTRODUCTION

This chapter contains the introduction of the study. The background of the study, background of the industry under study, statement of the problem, objectives of the study, significance of the study, scope and limitation of the study and the organization of this study are presented in this chapter.

1.1 Background of the Study

Today, the role of brands in serving as a bond between buyers and sellers has become very crucial. Brands play a pivotal role in our lives. They are not just mere symbols of a company or the product anymore; they now define a person's personality, his lifestyle, his social and economic background (Hasan, 2008). In this time of tough competition every company wants to stand out from the crowd. For this, companies need to build strong brand to attract and retain loyal customers who are deeply in love with the brand which will help them to get competitive advantage.

Shoes industry is the kind of business that rely heavily on customers' perception of the performance of the shoes products and all the attributes that make up the customers' perception of the product. Good customer perception of a brand depends on customer acceptance of the company's brand. As to Aaker (1991), a brand should be managed well as it is an important company asset that provides enormous values including future earnings for the company. Brand not only adds value to the company by increasing profitability, but, a strong brand also helps the company survive crisis and serves as the main source of competitive advantage.

Keeping this view in mind, due to the ever increasing competition in the business world, marketers are eager to know how really customers are attracted or linked to their brand. One way of measuring of to what extent customers are attracted or linked to a brand is through brand equity.

The concept of Brand Equity was introduced in marketing literatures in 1980's. Later this got special attention by practitioners and academicians (Aaker, 2005). The concept of brand equity is

based on the perceptions of consumers toward a specific brand. The perception of consumers in return depends upon various factors. The power of brand lies in what consumers have felt, heard, seen and learned about the brand over time as the result of their experiences about the brand (Keller, 2014).

Today most organizations are building strong brand and they are giving marketing priority to them. The conceptualization of brand equity involves the value given by consumers to a product, the perception and association of a particular brand name (Winter, 2013 & Chaudhuri, 2010).

Consumers, as buyers or users of products or services, are the focal point of the overall marketing processes that everyone experiences in his or her day-to-day activities. Concurrently, the market is in continuous undertakings, in which vendors are actively engaged in selling their products or services to consumers using several marketing strategies to enhance consumers' behavior of purchasing (Hayta, 2009).

Brand equity researches are largely concentrated on customer-based as opposed to firm-based (financial perspective) (Christodoulides & Chernatony 2004). This is because unlike the firm based approach which centers around financial valuation issues and provides little usable information for brand managers, the customer-based approach offers insights into customer behavior convertible into actionable brand strategies (Keller, 1993).

The need to build strong brands is important for all businesses whether engaged in producing physical products or services, durable or nondurable, ordinary or luxury (Knowles, 2008). There are some recent attempts to research the issue of brand equity regarding its measurement from the consumers' perspective. Some researchers have tried to see how fast moving consumption goods manufacturing firms build and measure their brand equity in the Ethiopian context.

Furthermore, there are few studies in the Ethiopian context that focus on some of the other innumerable aspects of Fast Moving Consumer Goods (FMCG). These studies explored FMCG from the perspectives of packaging attributes, sales promotion practices, distribution system and customer based brand equity. Two other studies on factors of brand choice in Fast Moving Consumer Goods (only on bottled water) was found (Seifu (2016) and Shewanesh (2017), which had a focus on Brand Equity.

Aaker (1991) identified the conceptual dimensions of brand equity as brand awareness, brand associations, perceived quality, and brand loyalty. Hence, this study aimed to empirically test the

effect of brand equity on consumer purchasing decision and how they interact in the context of domestic shoe products in Nifas Silk Lafto Sub-City, Addis Ababa.

1.2 Background of the Industry in Ethiopia

The mass production of shoes, in a factory scale, in Ethiopia dates back to the late 1930s when Armenian merchants founded two shoes factories in Addis Ababa. These factories nurtured a number of shoemakers, who opened their own factories across the country, Agoa, (2017). 22 high scale shoes factories and 302 medium and small scale shoes producers are playing their role as manufacturers in the Ethiopian footwear industry today, ELIDI (2015). The industry now employs more than 14,000 nationally, according to the Central Statistics Agency.

Ethiopia is gifted with the highest number of livestock in Africa; and this has enabled the country to produce an estimate of over 3 million hides and 18 million skins every year that suits the raw material needed for the leather products manufacturing industry (Andualem S., 2014).

Regardless of the fact that Ethiopia is rich in raw materials for the production of shoes and there exists a huge market for the products, the shoe industry remained undeveloped due to the gap in production quality and marketing knowledge, among other factors (ELIDI, 2014).

The Ethiopian government has established the Leather Products Technology Institute in order to give technical support for the industry. This is a good move, but it should be supplemented by the provision of training of marketing skills, (Tetsushi and Keijiro, 2016).

1.3 Statement of the Problem

Consumer Behavior is very essential issue which needs to be studied in detail as it is the basics of marketing strategies. The study of consumer purchasing behavior helps to comprehend the concern such as what the buyers think, what their feelings are, what the reasons behind their purchasing decision are, and how they pick among several options. The external and internal factors have significant influence on consumers' behavior which affects their purchasing process and decision.

Consumer behavior is very difficult to predict due to its complexity. However one can study and predict the effect of brand equity on purchasing decision of consumers which is one component of consumer behavior. Therefore, this study was conducted to understand the brand equity and to

what degree it affects the consumers' purchasing decision of domestic shoe products, as getting an insight into this will help organizations to create more suitable products and marketing processes to build more effective marketing strategies.

Therefore, in this study, the student researcher has tried to look into brand equity factors (namely brand awareness, brand loyalty, brand association, and perceived quality) and their effect on the consumers' purchasing decision.

Internationally many researches have been made on this issue and most of the findings of these researches are in line with the base theory, Acker's theory of brand equity. That is, Brand equity has strong and direct relationship with consumers' purchasing decision.

In general, it can be concluded that even though there have been studies on the brand equity internationally, as per the knowledge of the researcher, there appear to be insufficient studies that examine the effect of brand equity on consumers' purchasing decision of consumers in Ethiopia.

Almost all these local studies are done on Fast Moving Consumer Goods (FMCGs), like bottled water industry, brewery industry, pharmaceutical products industry. More over the findings of most of these researches show different results to each other regarding the strength of the effect of each brand equity dimensions.

So, this gap was what initiated the researcher to investigate the issue in the unattached items, i.e. on the Slow Moving Goods (SMG), taking shoes products as the main target of study. With this concept the student researcher will focus on investigating the effects of each of the four dimensions of brand equity on consumers' purchasing decision of local shoes products taking Nifas Silk Lafto Sub-City as geographical focus of the study.

Regardless of the fact that Ethiopia is rich in raw materials for the production of shoes and there exists a huge market for the products, the shoe industry remained undeveloped. Marketing knowledge is critical factor for the development of an industry. Brand equity and its effect on the purchasing decision of consumers is one of the main issues marketers should understand in order to make their own company competent. Ethiopian shoe industry has been obviously seen to be less competent with respect to other countries who even use raw materials from Ethiopia. This highly affects the country's national economy. In this time of tough competition every company wants to stand out from the crowd. For this, our local shoe companies need loyal consumers who

are deeply in love with their brands which will help them become indifferent to other offerings. That is why the student researcher wanted to focus on domestic shoe products to study the issue.

In addition, the way domestic shoe products are sold and distributed in Addis Ababa does not seem to have standardized and controlled system because domestic shoes products are accessible anywhere starting from street vendors to basic commodity shops and shopping malls. Nifas Silk Lafto Sub-City is one of the sub-cities in Addis Ababa in which many shoe markets and large number of street shoe vendors for local shoe products are found. This is one of the reasons for the researcher to choose this geographical location for the study.

1.4 Basic Research Questions:

1. What effects does Brand Awareness have on Consumers' Purchasing Decision?
2. What effects does Brand Association have on Consumers' Purchasing Decision?
3. What effects does Brand Loyalty have on Consumers' Purchasing Decision?
4. What effects does Perceived Quality have on Consumers' Purchasing Decision?

1.5 Objectives of the Study

General Objective

The general objective of the study is to examine the effect of Brand Equity on Consumers' Purchasing Decision in Nifas Silk Lafto Sub-City domestic shoe consumers.

Specific Objectives

1. To examine the effects of Brand Awareness on Consumer Purchasing Decision.
2. To examine the effect of Brand Association on Consumer Purchasing Decision.
3. To examine the effect of Perceived Quality on Consumer Purchasing Decision.
4. To examine the effect of Brand Loyalty on Consumer Purchasing Decision.

1.6 Research hypothesis

- **H1:** Brand Association has significant effect on Purchasing Decision.
H0: Brand Association has no significant effect on Purchasing Decision.
- **H2:** Brand Awareness has significant effect on Purchasing Decision.

H0: Brand Awareness has no significant effect on Purchasing Decision.

- **H3:** Brand Loyalty has significant effect on Purchasing Decision.

H0: Brand Loyalty has no significant effect on Purchasing Decision.

- **H4:** Perceived Quality has significant effect on Purchasing Decision.

H0: Perceived Quality has no significant effect on Purchasing Decision.

1.7 Significance of the Study

The result and findings of this research will be very useful for both the producers and marketers of domestic shoe products. It will help them to increase the market share of their brand. Marketing managers will be able to understand effects of Brand Equity and mold their offerings for their target consumers accordingly which will lead them to success. It directs domestic shoe companies to focus on building their brand equity and hence will be benefited by the marketing activities done and increase their return on investment. Moreover, it enables them to be relevant and effective, by giving them information about the needs of their surrounding target consumers.

This study can also be useful as a reference for anyone who is interested in similar topic or related field. It can also be used as a seed for further detailed study in the area. This study is also significant to others who want to understand and know about marketing.

1.8 Scope of the Study

According to Aaker (1991) consumer based brand equity can be evaluated through brand loyalty, brand awareness, perceived quality, and brand association. Hence, conceptually, this study is delimited to the four variables of Aaker's customer based brand equity model which are, Brand Awareness, Brand Association, Perceived Quality and Brand Loyalty. These four dimensions of brand equity represent consumers' perceptions and reactions to the brand.

Consumer behavior is a vast subject, but in this study only consumer Purchasing Decision has been studied.

Research design selected for this research was explanatory and data was quantitative. Geographically, it was delimited to Nifas Silk Lafto Sub city, Addis Ababa.

1.9 Limitations of the Study

- Geographically, the study was limited to Nifas Silk Lafto Sub-City, Addis Ababa due to time and budget constraint.
- Only one product category (namely shoes) was investigated. This type of study should be extended to other domestic products, to enhance their marketability.
- The main limitation was that there are only limited previous studies on the effect of Customer Based Brand Equity in Ethiopian context.
- There are also very limited secondary source materials on the area in Ethiopian context.

1.10 Organization of the Paper

The research report is organized with five chapters in which chapter one includes background of the study, statement of the problem, basic research questions, objectives of the study, significance of the study, scope and limitations of the study. Chapter two has included review of relevant related literature. In this second chapter, theoretical and empirical foundations of the study has been presented. Chapter three encompasses research design and methodology which includes research design, data type and sources, target population, sampling techniques, sample size, methods of data collection and gathering and data analysis methods. In chapter four results and discussion of the study has been presented in detail. The last chapter has included the summary of findings, conclusions and recommendations of the study. The summary of findings has been made based on the results under chapter four. The conclusions are drawn from the summary of findings with practical recommendations at the end.

CHAPTER TWO

LITERATURE REVIEW

2.1 Theoretical literature

2.1.1 Brand

As Keller (2009) has mentioned in his book, Strategic Brand Management, a brand is a name, term, sign, symbol or design or combination of them, intended to identify the goods and service of sellers and to differentiate them from those of other rivals. According to Doyle (2002), a brand is a specific name, symbol or design, or the combination of these-that is used to differentiate a product.

To consumers, brand can be familiarity as they get experiences in their purchasing and consumption activities in their everyday life; therefore, they use the brands as an indicator to make a decision to buy new products. Brand in the perception of consumers, can be strengthened by the use of brand equity dimensions: brand awareness, brand loyalty, brand associations and perceived quality (Aaker, 2002).

According to Aaker (1996) brand can be seen in four different perspectives, namely, Brand as a product, Brand as an organization, Brand as a person, and Brand as a symbol.

1- Brand as a product

Brand as a product is the effect of a brand attached to a product or service. It is closely linked to brand choice decisions and therefore the experiences consumers have of its use. The core element is to acknowledge the merchandise category the brand belongs to. The key idea is to attach the brand to the precise product group in order that it's the primary one the consumers recall when thinking of the group. The attributes that are associated with brand as a product are quality, purpose of use, sorts of users and therefore the origin of the merchandise or service (Aaker, 1996).

2- Brand as an organization

Brand as an organization is not much about product or service itself but primarily about features of the organization. These features (for example innovation and quality) are formed by the

people, culture, values and programs of the company and are more resistant to competitive claims. It may be easy to imitate product features but duplicating an organization with unique people, values, and programs is almost impossible (Aaker 1996).

3- Brand as a person

Brand as a person studies the brand as having human attributes such as fun, active, formal or youthful. A brand personality can help to strengthen the effect of the brand because people can relate it to their own personality. Human personalities influence human relationships. In the same way, brand personality can influence the relationship between the consumer and the brand. Brand personality can also imply certain images, functions and benefits of a product or service itself to a consumer (Aaker, 1996).

4- Brand as a symbol

A symbol of a brand helps consumers to recognize and recall the brand. A symbol can represent an image, metaphors or brand heritage that relates to a brand. The symbol can be said strong when it relates to some extra value that the brand provides if purchased (Aaker 1996).

According to Lisa W. (2000) brands are different from products. “What the consumers buy” is called brand, but “what companies make” is the product. Brand is a combination of emotional and functional linkages. Brand is what a company promises about a product that it will perform as per customer’s expectations. It forms customer’s expectations about a product. Brands are usually protected by trademark from use by others. A brand is used to differentiate the organization, good or service from others in marketplace. In the minds of consumers a brand holds the characteristics that make the product or service unique. A strong brand helps in making people aware of what the company represents and what its offerings are.

To a consumer, brand means source of product and it can delegate responsibility to the manufacturer of the product, it means lower risk, less searching cost for the consumer.

Brands simplify consumers’ purchasing decision. Through time, consumers become familiar with the brands which satisfy their need. When consumers recognize the brand of their choice and have knowledge about it, they can make quick purchasing decision and save a lot of time. Consumers may become loyal to a brand as long as their perception is that the brand will continue meeting their expectations and perform in the desired manner consistently. Consumers

tend to continue to buy a brand as long as they get benefits and satisfaction from consumption of the product. Brands are also very important in identifying the features of certain product to consumers.

Brand, to a seller, is one source of competitive advantage. It is a way of granting products with unique associations. It is also a tool by which products are easily identified, way of legal protection of products' unique features. It can be sign of quality to satisfied customers.

Generally a brand is the holders promise to provide a unique set of characteristics, advantages, and services to the buyers/consumers. It is a name, term, sign, symbol or a combination of all these planned to differentiate the goods/services of a company from those of competitors. A brand connects the four important elements of a company - customers, employees, management and shareholders.

Brand is a collection of memories in customer's mind about a product or service. It is a set of thinking of functional, emotional and rational associations and advantages stored in the customer's mind. It includes the images and symbols associated with the brand or brand benefits.

2.1.2 The Concept of Branding

Branding can be defined as the use of distinguishable elements like names, symbolisms, terminologies, texts, and signs or the combination of all the above-mentioned elements with the objective of associating it with particular goods or services by a company to differentiate from competitors' products. Formally, branding is defined as naming, associating and adding other ingredients that are used to identify a product (Kotler 2000). Branding has been in existence before the industrial revolution to identify one product from the other particularly among the artistic workers. A brand that is wisely planned and implemented dominates the subconscious minds of consumers, so it is easy to recall them whenever the need arises. Hence, it becomes a vital tool for business organizations to penetrate into every market and to stay there successfully.

On this time of competition, buyers have a broad range of choice to choose from when they enter a shopping mall. According to a research conducted by Freerdie (1998) on shopping habits, nearly one-fourth of the respondents are impulse –buy products they have not budgeted for. Consumers have their own preference when they decide to purchase and those preferences are

developed in harmony with their perceptions towards the brand. So, successful branding makes consumers aware of the presence of the brand and hence increases the chance of buying that specific product, Doyle (1999).

2.1.3 Brand Equity

In this time of strong competition, brand equity has become one of the most important marketing concepts (Martensen and Gronholdt, 2004) both in business practice as well as in academic research because marketers can gain competitive advantage through successful brands (Kim, Kim, and An, 2003). Further, organizations' develop brand as a way to attract and retain customers by promoting value, image and lifestyle (Rooney, 1995). Although to create a brand from scratch requires huge investment (Motameni and Shahrokhi 1998), brands have various advantages to the firm, such as opportunity for successful extension, strength against competitors, easy promotion. Brands can also create barriers to competitive entry. Brands are assets for a company (Lassar, Mittal, and Sharma, 1995).

For buyers or consumers, brand equity provides information about the brand which can influence their confidence during the purchasing process. There is a high tendency for consumers with good perceptions to buy from the same shop again than those with poor perceptions. Past purchasing experiences and familiarity with the brand have their own roles in generating perceptions on the consumers mind, Aaker (1991).

For the firm, brand equity can be a source of income. It can allow higher margins through premium pricing and reduced reliance upon promotional activities (Aaker, 1991). Having positive image, consumers no longer focus on the short-term promotion but the brand on the whole.

Brand equity is a broad concept which can be further subdivided into four main areas, namely *brand loyalty, brand awareness, perceived quality and brand associations* (Aaker, 1991; Keller, 1998). These four main areas are to be discussed in the coming sections.

2.1.4 Customer-Based Brand Equity - The Aaker's Model

Keller (2003) has given a detailed analysis on the concept of Customer-Based Brand Equity. He came up with understandable recommendation on how it is constructed and how we can use the variables in order to build strong brand equity. Aaker (1996), on the other hand, theorized the

determinants of customer-based brand equity as five elements, namely, Brand Awareness, Perceived Quality, Brand Association, Brand Loyalty and other proprietary brand assets.

2.1.4.1 Brand Awareness

It is the ability of customers to trace the brand in memory and strength to what extent they memorize. It is reflected by consumers' ability to identify the brand under different conditions (Rossiter and Percy, 1987). In other words, Brand Awareness is all about how well the brand identities serve their function. In particular, brand awareness relates to the degree of how ease with which the brand name will come to mind.

Brand Awareness is a combination of brand recognition and brand recall performance. Brand recognition is related to consumers' ability to confirm prior to the brand when given the brand as a clue. Brand recognition requires that consumers correctly differentiate the brand as having been seen or heard previously.

Brand recall is a description of consumers' ability to retrieve the brand when given the product category. Brand recall requires that consumers correctly memorize the brand. Rossiter and Percy (1987) agreed that the relative importance of brand recall and recognition depends on the extent to which consumers make decisions in the store versus outside the store.

Brand awareness is vital in consumer decision making. And this is for three different reasons. The first reason is that it is important that consumers think of the brand when they think about the product category. Raising brand awareness increases the likelihood that the brand will be a member of the consideration set (Keller 1993). The other reason is that, brand awareness can affect decisions about brands, even if there are essentially no other brand associations. Consumers tend to adopt a decision rule to buy familiar, well-established brands. A tiniest brand recognition can be sufficient for product choice, even in the absence of a well-established attitude (Park and Lessig, 1981).

2.1.4.2 Brand Associations

A brand association is another dimension of brand equity. Brand association plays very important role for purchasing decision and for brand loyalty (Aaker, 1991). Brand associations are mixture of all thoughts, feelings, perceptions, images, experiences, beliefs, and attitudes about the brand (Kotler and Keller, 2006) and is anything linked in memory about a brand.

According to Chen (2001) there are two types of brand associations - product associations and organizational associations.

A) Product Associations: Product associations can be functional attribute associations and non-functional attribute associations (Chen, 2001). Functional attributes are the physical features of a product (Keller 1993). If a brand does not perform at a level for which it is designed, the brand may have low level of brand equity. Performance is consumers' judgment about a brand's physical operation and appropriateness in the product's physical construction (Lassar et al., 1995).

Non-functional attribute is about symbolic attribute. It is the intangible attribute related with consumers' needs for social approval, personal expression or self-esteem. These include trustworthiness, perceived value, differentiation and country of origin of the brand (Keller, 1993).

B) Organizational Associations: It is all about corporate-ability associations. They are associations related to the company's expertise performance from production step up to distribution or delivery of its products. It can also include corporate social responsibility associations, activities with respect to its perceived societal obligations (Chen, 2001). According to Aaker (1996), consumers consider the organization's values, and programs that lies behind the brand. Brand-as-organization can be particularly helpful when brands are similar with respect to attributes, when the organization is visible or when a corporate brand is involved. Corporate social responsibility (CSR) is another important concept which an influence the development of brands as the public wants to know what, where, and how much brands are giving back to society. Both branding and CSR have become crucially important that the organizations have recognized how these strategies can add or detract from their value. CSR can be defined in terms of appropriate ethics or from the perspective where corporate reputation is the main issue.

2.1.4.3 Perceived Quality

Perceived quality is the customer's judgment about a product's quality that is different from objective quality (Zeithaml, 1988). Perceived quality is viewed as a dimension of brand equity rather than as a part of the brand association Keller (1992). Real quality or objective quality is

the technical, measurable and provable makeup of products, services and processes. Objective quality does not necessarily contribute to brand equity (Anselmsson et al., 2008). Consumers may not make complete and perfect judgments of the objective quality. So, they usually use quality attributes that they associate with quality. So, the judgment of the overall quality of a product or service is what we call Perceived Quality. According to Boulding (1993) quality is directly influenced by perceptions. As to Zeithaml (1988) and Steenkamp (1997) perceived quality can be classified in to two attributes- intrinsic attributes and extrinsic attributes. The intrinsic attributes are related to the physical aspects of a product like color, flavor, and appearance. But extrinsic attributes are related to the non-physical features of the product like brand name, quality assurance certificates or stamps, price, packaging and written production information (Bernue´s et al., 2003).

2.1.4.4 Brand Loyalty

Aaker (1991) defined loyalty as a core dimension of brand equity. Grembler and Brown (1996) explained that that loyalty has different levels. Behavioral loyalty is associated with consumer behavior in the marketplace that can be revealed by a number of repeated purchases (Keller 1998). Cognitive loyalty, on the other hand, is that a brand comes up first in consumers' mind when the need to make a purchase decision arises. In other words cognitive loyalty is said to be aroused when a brand becomes the consumers' first choice. The cognitive loyalty is the highest level of awareness, where the matter of interest also is that specific brand, in a given category. In that case the brand comes first as the customers' first choice (cognitive loyalty) and is therefore purchased repeatedly (behavioral loyalty) (Keller 1998). According to Aaker (1996) price premium is the basic indicator of loyalty. Price premium is the surplus amount a customer is willing to pay for the brand in comparison with another brand offering similar benefits.

2.1.5 The Keller's Model

Kevin Keller (1993; 2001; 2003) has contributed a lot to branding theory with his introduction of the concept of customer-based brand equity and the brand hierarchy. He defined Brand equity, as the effect that brand knowledge has on consumer response to the marketing of a brand. This effect occurs when the brand is known and when the consumer possesses favorable, strong brand associations (Keller, 1993). The Customer-Based Brand Equity model consists four steps which

represent questions asked by customers. It forms branding hierarchy in which each step is dependent on achieving the previous one (Keller, 2001).

The first step of the CBBE model is to create the correct brand identity, i.e. to answering the first question customers ask about brands - Who are you? In other words it is to create an identification of the brand, and an association with a specific product class or need (Keller, 2003).

The next step of the Kellers model is answering the customers' question - What are you? And this should be done by establishing "brand meaning" in the customers' minds, and linking brand associations with certain properties (Keller, 2001).

The third step is "brand response" in which customers' responses to the brand identification and meaning are extracted (Keller, 2003). This step answers the question - What about you?

The last step is "Brand relationships" where brand response is converted to loyalty relationship between customers and the brand (Keller, 2001). It addresses the customers' question of what about you and me?

1. Identity (Who are you?)
2. Meaning (What are you?)
3. Response (What about you?)
4. Relationships (What about you and me?)

2.1.6 Yoo and Donthu (2002) Brand Equity Model

This model has three components: The first one is the marketing mix elements selected from the marketing activity. In this component price store, image, distribution intensity, advertising spending, and price deals can be included. The second component consists of the brand equity dimensions. And this encompasses perceived product quality, brand loyalty, and brand awareness/associations. And the Third component is the overall brand equity.

The model classifies the marketing managerial efforts into two - brand building activity and brand-harming activity. This model extends Aaker's (1991) model by placing brand equity as a

separate construct between the dimensions of brand equity and the value for the customer and the firm.

Yoo and Donthu (2001) tried to extend the brand equity concept; for instance, brand loyalty in their research refers to the tendency to be loyal to a focal brand, which is demonstrated by the intention to buy the brand as a primary choice, in contrast to other researches that relied on behavioral aspects of brand loyalty. They combined brand awareness and brand associations into one group and focused on three of the assets; brand awareness/associations, perceived quality and brand loyalty. Focusing on the assets of brand equity it is possible to determine if some aspects of brand equity seen to be more important than others for the consumer, or if a brand is achieving or lagging the needed attributes of one or more dimensions. It is important to maintain consumers' perception every time in order for a brand to be the preferred choice of consumers.

2.1.7 Relationship between Brand Equity and Brand Equity Dimensions

For the past few decades, various researchers have suggested different dimensions of customer based brand equity. Aaker's customer based brand equity model consists of the dimensions perceived quality, brand loyalty, brand awareness, brand association, and other proprietary brand assets such as patents, trademarks, and channel relationships.

2.1.7.1 Perceived Quality versus Brand Equity

Perceived quality is the main aspect in the CBBE framework (Aaker, 1996; Farquhar, 1989). Perceived Quality, as the name indicated is a matter of perception. That is, it is not the real quality of the product but the customer's perception of the overall quality of the product with respect to its intended purpose, relative to alternatives (Zeithaml, 1988). Perceived quality contributes value to a brand in several ways: high quality gives customers a good reason to buy the brand and allows the brand to differentiate itself from its rivals, to set premium price, and to create a strong basis for the brand extension (Aaker, 1991). Nowadays, marketers in all categories have increasingly recognized the significance of perceived quality in brand decisions (Morton, 1994). Kotler (1994) highlights the strong relation among product quality, customer satisfaction, and company portability.

2.1.7.2 Brand Awareness versus Brand Equity

Brand awareness is another important dimension of brand equity. It can be defined as the ability of a potential buyer to recognize or recall a brand as a member of a certain product category. Brand awareness can be a sign of quality and commitment, letting customers become familiar with a brand and helping them consider it at the point of purchase (Aaker, 1991).

The more popular the brand is, the more potential individuals would mean to buy and suggest the service and product (Horng, Liu, Chou, and Tsai, 2011). When people are more aware of a brand through their experience, first they recall, and then they suggest someone to purchase this brand. This makes the brand more powerful (Mason & Nassivera, 2012).

Consumers use brand on the basis of their knowledge and experience. When selecting a product they think that a most popular brand is more trustworthy than a less known brand. (Macdonald & Sharp, 2000).

Consumers' familiarity with a brand increases when they get more information about the product (Buil and Cheratory, 2013). Consumers purchase a product on the basis of their knowledge about the brand (Yoo and Donthu, 2002).

2.1.7.3 Brand Association versus Brand Equity

Brand Association is any brand related memory in the minds of customers (Aaker, 1991). It contains the meaning of the brand for customers. Brand Association can be seen in all forms and can reflect features of the product or aspects independent of the product itself (Chen, 2001). Brand associations create value for the firm and its customers by helping to retrieve information, differentiate the brand, create positive attitudes or feelings provide a reason to buy, and provide a basis for extensions (Aaker, 1991). CBBE occurs when customers have a high level of awareness and hold some strong, favorable, and unique brand associations in their memories.

Strength of Brand Associations can be seen on how much a consumer thinks about a brand, relates it to the present knowledge that he or she has stored in his or her memory. In regard to strength of the brand association, two factors can be considered, which are **personal relevance** and **consistency**. (Keller, 2009). The consumers consider the **brand attributes** and **brand benefits** relevant to their personal needs and the message delivered by the marketing and

promotions about these attributes. Benefits should be consistent and uniform in order to generate strong brand associations which will be hard to mold and change (Cacioppo, 1986)

Brand benefits are the descriptive features of a brand that characterizes a brand to a product category and tells the consumers what is for and how he or she will benefit from it, if he or she uses the product. On the other hand, brand attributes are those personal meanings that consumers themselves assign to brand through their experience with the brand (Keller, 2009).

Brand association provides a base for consumers purchasing decision about the brand to purchase or not. The consumer has a lot of things in his knowledge toward the brand (Emari & Jafari, 2012).

2.1.7.4 Brand Loyalty versus Brand Equity

Brand loyalty is the center and major component of brand equity (Aaker, 1991). It has been difficult for researchers to define and measure Brand Loyalty. If we define brand loyalty from the behavioral perspective, it is the degree to which a buying unit, such as a household, concentrates its purchases over time on a specific brand within a given product category (Schoell and Guiltinan, 1990). On the other hand if someone tries to define it from an attitudinal perspective, brand loyalty can be defined as the tendency to be loyal to a brand, which means the intention to buy it as a primary choice (Oliver, 1997). Since Brand Loyalty has the ability to provide a set of habitual buyers for a long period of time, it adds considerable value to a brand and to the firm (Aaker, 1991). Loyal customers are less likely to switch to other brands just because of price; they also make more frequent purchases than non-loyal customers (Bowen and Shoemaker, 1998).

2.1.8 Consumer Buying Decision Process

Consumer behavior is the behavior that consumers exhibit in searching for, buying, using, evaluating and disposing of products. According to the American Marketing Association (2014) consumer behavior is the interaction that affects cognition, behavior, and the environment by which human beings handle the exchange aspects of their lives. Consumer behavior includes the thoughts and feelings people experience and the actions they perform in buying and consumption processes. It can also include all the related things in the environment that affect these thoughts,

feelings, and actions. It can be affected by the comments from other consumers, advertisements, price information, packaging, product appearance, blogs, and many others.

Consumer behavior is mainly about how individuals make decisions to spend their available resources (time, money, effort) on consumption related items. That comprises what they buy, why they buy it, when they buy it, where they buy it, how often they buy it, how often they use it, how they evaluate it after the purchase and the effect of the evaluations on future purchases, and how they dispose of it.

Understanding the behavior of consumers before they made purchasing decision will help for product manufacturers and service providers to develop strategies in line with customers' actions. Particularly knowing what makes consumers prefer a brand will make the manufacturer to adapt strategies based on the influential factors. Unable to analyze the qualification hinder companies from being competitive. Hence, understanding the behavior of consumers specially their brand preference has to be a critical issue and concern for marketers and strategy developers.

Consumer buying decision process consists of a series of steps, beginning with a need or want arising from either internal or external factors and terminating with a confirmation of the decision. The need may be an urgent one, demanding immediate satisfaction; or it may be one for which the satisfaction can be delayed or postponed. Strong needs create a tension which sooner or later must be quit.

Information Search

It is the process by which the consumer surveys his or her environment for appropriate data to make a reasonable decision. Normally, the amount of information searching activities of a consumer depends on the type of product which may require either high involvement or low involvement. For a product that requires high involvement there might be a significant differences between brands which require an immense effort or insignificant differences between brands which leads to dissonance reducing buying decisions.

The consumer can obtain information regarding a specific product from different sources. These sources include personal sources like family and friends, commercial sources like advertising, salespeople or displays, public sources like mass media and social networking sites and

experiential source like handling, examining and using of a product. The relative effect of the sources of information can vary with the product and the buyer. In the case of young men and women, for example, the source of information for shoe brands can be collected based on their previous experience and usage of that product as well as external source like friends, colleagues, neighbors, several medias and so on.

Evaluation of Alternatives

Using the information they have at hand, consumers evaluate the choice alternatives to come to a decision (Jobber, 2007). This includes comparing the information obtained in the information search process for alternative products with the criteria the consumer has developed. The choice alternatives are the different product classes, product forms, brands, or models the consumer considers to buy (Peter and Olson, 2010). Mostly consumers cannot consider every possible choice alternative, because they only have limited time, energy, and cognitive capacity. Therefore only a subset of the possible alternatives, called the consideration set, is evaluated. Some products or brands in the consideration set may be initiated directly from the consumer's or buyer's memory; this group is called the evoked set. When consumers become highly familiar with the decisions, they may not consider any brands other than those in the evoked set. If consumers are confident they already know the correct choice alternatives, they are not likely to search for additional ones (Peter and Olson, 2010).

The evaluations of the choice alternatives in the consideration set are based on consumer's beliefs about the consequences of buying those products. These consequences are called are called evaluation criteria. Evaluation criteria are the dimensions used to judge the advantages of competing brands (Michael S. et al, 2006).

Strong purchase intentions usually results a purchasing decision. A consumer actually buys the product he or she has chosen. But risk perception causes a consumer's decision to change, postpone or avoid a purchase decision. Many purchases involve some risks and the amount of perceived risk varies with the amount of money at stake, the amount of purchase uncertainty and the amount of consumer self-confidence. A consumer takes certain actions to reduce risk, such as avoiding purchase decisions, gathering more information and looking for brand names and product warranties.

Post-Purchase Evaluation/Behavior

Consumers may take further actions after the purchase decision by evaluating their satisfaction or dissatisfaction. Consumer satisfaction or dissatisfaction is determined by the overall feeling, or attitude, a person has about a product after it has been purchased. Consumers involve in a constant process of evaluating the products they buy as they assimilate these products into their daily consumption activities.

2.2 Empirical Literatures Review

In order to secure a set of loyal consumers, brands must be developed and maintained constantly. Brand can be measured with the brand equity dimensions. Due to the ever increasing competition in the business world, marketers are eager to know the real effects of the different dimensions of brand equity. To satisfy this need many empirical researches have been done for many decades all over the world. Internationally there were several researches done on Customer Based Brand Equity based on the Aaker's base theory to investigate empirically the effects of brand equity and the strength of the effect of each dimension of brand equity on customer's purchasing behavior.

Aiming to find out the impact of brand equity dimensions on purchasing decision of customers in the financial service sector, Abad (2012) studied The Customer Based Brand Equity (CBBE) in the Banking sector of Iran. After employing Aaker's CBBE model, he found out that perceived quality, brand loyalty, brand awareness and brand association are influential criteria of brand equity that enhances perception of brand in financial service sector. Among the four stated dimensions, brand association appears to have the most influence on brand equity.

Also Maulik and Ashish (2017) studied impact of brand equity on consumer purchasing decision of dairy products in India with the intention of identifying which brand equity dimensions are more influential in consumers' purchasing decision in the Indian dairy products industry. After employing Aaker's CBBE model, the researchers found out that the purchasing decision of dairy products is influenced by the three brand equity dimensions, namely, Brand Awareness, Perceived Quality and Brand loyalty. The researchers concluded that Brand Association has no impact on purchasing decision. But this is different from most results of previous researches and from the base theory, Aaker's theory, that all the four brand equity dimensions have positive impact on purchasing decision. According to the theory consumers are attached and loyal

towards a brand and likely do repeat purchases only when the relationship between the brand and the user is in depth and has an emotional connection, i.e when there is Brand Association. But the research finding of. Maulik and Ashish (2017) is in contradiction to this concept.

To quote a third article, Gunawardane (2015), researched on Impact of Brand Equity towards Purchasing Decision in the Mobile Telecommunication Services of Sri Lanka. Based on Aaker's model of brand equity, the researcher tried to investigate the causal effect of the four dimensions of brand equity and overall brand equity in the Mobile Telecommunication Services industry. The study used a sample of 300 actual customers from Colombo and Gampaha cities. The findings showed that, brand awareness and perceived quality are the most influential dimensions of brand equity and weak support was found for the brand loyalty and brand association dimensions. Thus, he researcher suggested, marketing managers should concentrate their efforts primarily on building strong brand awareness and perceived quality.

Muhammad & Sameen (2016) showed on their study that there is strong and direct relationship between Consumers' Purchasing Decision and the Brand Equity in the cell phone industry in Karachi, Pakistan. They further showed that brand loyalty is the most influential dimension that affects consumers' purchasing decision followed by brand association. This was exactly in line with the underlying theory.

An empirical research was conducted by Suryadi D.(2015) to discover the impact of brand equity towards consumers' purchasing decision of PT. X's candy products in Indonesia. The research aimed at discovering how brand equity affects consumers' purchasing decision and how each dimension of brand equity affects consumers' purchasing decision. The research showed that brand equity positively affects consumer purchasing decision. Using multiple linear regression the researcher further find out that out of the four independent variables of BE, brand association and perceived quality are the individual elements that highly influence consumers' purchasing decision.

At African level, Reuben k. (2014) researched on the title "The Influence of Brand Equity on Consumer Choice in the Kenyan bottled water industry". After detailed research and analysis he found out that brand loyalty is a prominent factor which creates brand equity in the Kenyan bottled water industry. And he concluded that brand equity dimensions have strong effect on the consumers' purchasing decision in general in that same industry.

There are also some researches which are done on the Ethiopian context regarding the issue of Customer Based Brand Equity and the effects of its dimensions.

Salelaw's (2015) findings on the area in the Ethiopian brewery industry, confirms except brand awareness, the other brand equity dimensions (brand associations, perceived quality, and brand loyalty) affect the creation of consumer-based brand equity; and brand loyalty was found to have a strong effect on the creation of consumer-based brand equity followed by perceived quality and brand associations.

Eyerusalem (2006) researched on the impact of brand equity on brand preference of pharmaceutical products and find out that all the factors impact significantly in choosing a brand with brand association impacting their brand choice greatly.

Shewanesh (2017) showed that all of the brand equity dimensions (Brand Awareness, Brand association, Brand perceived quality and Brand loyalty) had been found influential factors on the consumers based brand equity of bottled water industry in Addis Ababa. Her study further showed that Brand Awareness has the highest influence than the other dimensions on the purchasing decision of consumers.

Seifu's (2016) research in the Ethiopia's bottled water industry (the same industry as that of Shewaynesh's research but done one year earlier) showed a result which is different from that of Shewaynesh's. Seifu's (2016) research concluded that Perceived Quality and brand awareness are influential dimensions of brand equity in the Ethiopian bottled water market. However, the influence of brand loyalty was found to be very minimal. And this is different from both most previous studies and the underlying brand equity theory that asserts brand loyalty to be the core component of brand equity.

2.3 Conceptual framework of the study

This section describes the conceptual framework that guides the researcher and clarifies relevant concepts. After examining extensive literatures in the area of brand equity and consumer purchasing decision, the researcher decided to use Aaker's Conceptual Framework model that guides the researcher in designing data collection instruments, data analysis and interpretation. The researcher has chosen to depend on the Aaker's Consumer Based Brand Equity model because this research examines Brand equity in the context of consumers and not on the context

of firms. And also this model is useful in showing the effects of each dimension, because Aaker's model put these dimensions clearly.

The independent variables, brand associations, brand awareness, brand loyalty and perceived quality are dimensions of Brand Equity. Consumer purchasing decision is the dependent variable. Accordingly, the conceptual model has been depicted in Figure 2.1 below.

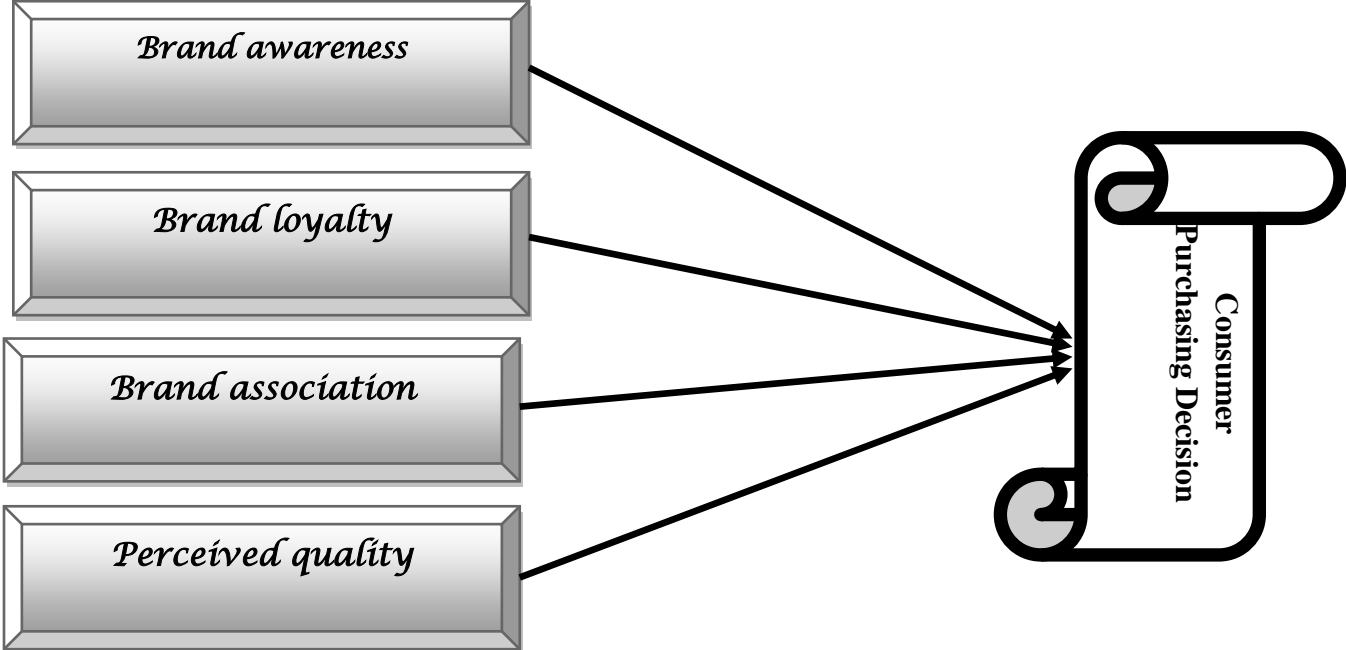


Fig. 2.1 Conceptual Framework of the study

Source: Aaker (1991)

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Research Design

Taking the research objectives in to consideration, this research has adopted explanatory research design. It is an empirical research aimed at answering specific research questions and testing specific hypothesis. The effect of the four variables on purchasing decision of the consumers was tested.

So the research design for this study was a casual research design because this research has analyzed the cause-and-effect relationship between brand equity and consumer purchasing decision of domestic shoe products in Nifas Silk Lafto Sub-city.

3.2 Research approach

The choice between qualitative and quantitative approach depends on the type of the study. Qualitative research is widely used in both business and academic environments. However, quantitative research is considered more scientific (Malhotra, 2007). For the purpose of this study quantitative research approach of doing research was employed. Quantitative research approach is used for statistical procedures to analyze and develop inferences from the data, that's statistical models such as means, standard deviations, correlations and regressions analysis are used.

3.3 Data type and source

There are two sources of data - primary and secondary sources. The student researcher used both primary and secondary sources to collect data for this research. Primary data is the information that a researcher finds out by himself regarding a specific topic. Primary data was collected from individual respondents using self-administered questionnaire. Furthermore, documents related to the study, such as journals, books, and unpublished manuscripts was used as secondary sources of data. The secondary data helped the student researcher as specific reference and to explore different information to enrich the study.

3.4 Target Population and Sample Size

Target population can be defined as the whole group of individuals from which the sample might be taken (Ary et al, 2002). And sample Size refers to the numbers of individuals selected from the target population to constitute a sample (Lebin & Rubin, 2006). In line with the objective of the study the research was to investigate the effect of the brand equity on consumers' purchasing decision. The student researcher has aimed to focus on local shoe products to study the issue. Thus, the target population for this study was consumers of domestic shoes in Nifas Silk Lafto Sub City, Addis Ababa.

When the size of population is unknown and previous researches are unavailable to determine the variability of an estimate over all possible samples, the sample size is calculated for the list favorable case $p = q = 0.5$ (Corbetta, 2003). In this case, since the total population is unknown and previous studies are not available, with the study title here in Ethiopia, to determine the estimate of p and q , the researcher used the recommendation by Corbetta (2003) in determining the sample size, 95% confidence level and 5% sampling error in calculating the sample size. The sample size for this study was determined with the use of Topman formula as presented below (Dillon, 1993).

$$n = \frac{Z^2 pq}{e^2}$$

Where:

n = required sample size

Z = Degree of confidence (i.e. 1.96)²

P = Probability of positive response (0.5)

Q = Probability of negative response (0.5)

E = Tolerable error (0.05)²

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

$$n = \frac{3.8416 \times 0.5 \times 0.5}{0.0025}$$

$$0.0025$$

$$n = 384$$

3.5 Sampling Technique

The two types of commonly used sampling techniques are probability and non-probability sampling. The probability sampling means that each element in the population has the chance to be selected, while the non-probability sampling means that probability of selecting an element cannot be estimated (Churchill, 1995). This study used non-probability sampling; namely, convenience sampling because the sampling frame is unavailable.

Convenience sampling is one of the most frequently used non-probability sampling methods and used commonly in marketing (Ismail, 2010; Jamal and Al-Marri, 2010). Convenience sampling means the non-random selection of available elements from the study-defined population. It is an easy, quick, and cost effective technique, but the main drawback is that it is unrepresentative of the population (Churchill, 1995; Saunders, 2012).

3.6 Data Collection Instruments

Primary data was collected using self-administered questionnaire developed by the researcher based on the information from different literature and studies.

The questionnaire was divided into two sections. The first section contained the demographic characteristics of the respondents and was designed to provide information about their gender, age, income and education level. The second section of the questionnaire was designed to enable the researcher to gather information about effects of brand equity on consumer purchasing decision in Nifas Silk Lafto Sub City.

Questionnaire is a set of questions that have structured questions. In this case the questions contain close-ended questions type and responses to the question on a five Likert rating scale such as: Strongly agree (SA) = 5; Agree (A) = 4; Neutral (N) = 3; Disagree (D) = 2; Strongly disagree (1). The use of Likert scale is to make it easier for respondents to answer the questions in a simple way.

The secondary data sources were published and unpublished documents, such as, journals, magazines, newspapers, books, and e-books.

3.7 Data Analysis Technique

The collected data was changed and interpreted in to meaningful information, and statement, so it was analyzed, processed and interpreted accordingly to the nature of data. Statistical Package for Social Science (SPSS) software was employed to analyze and present the data. The statistical tools were used to interpret the study, namely **descriptive analysis** (mean and standard deviation), **correlation** and **multiple regression analysis**.

The **descriptive** statistical results are presented by frequency distributions and percentages to give a condensed picture of the data. This was achieved through summary of statistics, which includes the means and standard deviations values which were computed for each variable in this study.

Correlation is a statistical measurement which determines co-relationship or association of two variables. In this study Pearson's correlation test was used to determine the relationships between the variables.

Multiple regression analysis was used to investigate the effect of brand equity dimensions i.e., brand awareness, brand loyalty, brand association and perceived quality on consumers' purchasing decision of domestic shoes products in Nifas Silk Lafto Sub City.

3.8 Model Specification

Research Variables

1. Brand Awareness - Independent Variable
2. Brand Association - Independent Variable
3. Brand Loyalty - Independent Variable
4. Perceived Quality - Independent Variable
5. Consumers' Purchasing Decision - Dependent Variable

$$Y=B_0+B_1X_1+B_2X_2+B_3X_3+B_4X_4+e$$

Where

Y= Consumer purchase decision

$B_0, B_1, B_2, B_3,$ and B_3 are parameters

X_1 = Brand Association

X_2 = Brand Awareness

X_3 = Perceived Quality

X_4 = Brand Loyalty,

e = error term

Scales for Measurement of Variables

- Brand Awareness – Likert Scale
- Brand Association - Likert Scale
- Brand Loyalty - Likert Scale
- Perceived Quality - Likert Scale
- Consumers' Purchasing Decision - Likert Scale

CHAPTER FOUR

DATA ANALYSIS AND DISCUSSION OF RESULTS

4.1 INTRODUCTION

This chapter presents, analyzes and interprets the data collected and relate them to the theory discussed in the Second Chapter of this thesis. At the same time, the data is analyzed in relation with the research questions raised in Chapter One. The main concern of the presentation and analysis of data in line with the objective of the study are directly related to the effects of brand equity on consumer purchasing decision.

The data, as has been discussed in the preceding chapter, were gathered from primary source through self-administered questionnaire filled out by consumers of domestic shoe products of the Nifas Silk Lafto Sub-City, Addis Ababa. . The data collected from respondents has been analyzed and interpreted. The analysis had the objective of measuring the effect level of brand equity on purchasing decision. The hypothesis that, brand equity measurement dimensions have significant effects on purchasing decision have been tested. In order to proceed with the analysis the reliability and validity of the concept was tested. Finally, the study established a model of purchasing decision that can be used to prioritize from among the brand equity dimensions by using regression analysis.

In terms of organization, this chapter is put in to four topics. Following the first topic, which deals with the descriptive analysis, comes the second topic that discusses the correlation analysis between the variables of the study. The third topic is one that presents the regression analysis. Having the information from the analyzed data, the last topic shows the results.

4.2 Reliability and Validity Analysis

Reliability is to the level of confidence we can have on the measuring instrument to give us the same numeric value if the measurement is repeated on the same object. (Gaur & Gaur, 2009). The dimensions for measuring brand equity as explained in the literature are established as brand association, brand awareness, perceived quality, and brand loyalty. The scale has to be checked for its internal consistency or whether it measures what it set out to measure. The Cronbach alpha coefficient can be used as an indicator of internal consistency of the scale.

A high value of the Cronbach alpha coefficient suggests that the items that make up the scale go together and measure the same fundamental concept. A Cronbach alpha value above 0.70 can be used as a reasonable test of scale reliability. (Gaur & Gaur, 2009). In this study the Cronbach alpha value of all the variables is presented in table 4.1.

Table 4.1. Reliability Measure of Brand equity dimensions

Variables	Cronbach's Alpha
Brand association	.873
Brand awareness	.821
Perceived quality	.901
Brand loyalty	.897
Consumer Purchasing decision	.904

Source: own research data, 2019

As can be seen from Table 4.1, Cronbach Alpha values of all the dimensions were found to be high, i.e., Cronbach Alpha results are greater than 0.70. This implies that all the brand equity measurement dimensions have internal consistency. Consumer purchasing decision has the highest alpha result with a 0.904, followed by perceived quality 0.901, brand loyalty 0.897, brand association .873 and brand awareness 0.772. So, the measuring instrument has high reliability.

The empirical findings of this study conducted by using Pearson correlation have proven that there is a relationship among the brand equity dimensions and Consumer Purchasing decision at $p < 0.05$ confidence level for all the four dimensions. Therefore, the validity of the instrument is supported at a high level of significance.

4.3 Response Rate of Respondents

A structured questionnaire was distributed to 384 consumers. Out of these, 384 questionnaires were collected and usable, that is a 100% response rate. The data collected from respondents has been analyzed and interpreted.

4.4 Demographic Characteristics

Table: 4.2 Demographic characteristics of respondents

		Frequency	Percent
Gender of respondents	Male	302	78.6
	Female	82	21.4
	Total	384	100.0
Age of respondents	18-35	253	66
	36-55	108	28
	Above 55	23	6
	Total	384	100.0
Occupation of respondents	Government employee	118	31
	Private or NGO employee	64	17
	Self-employed	161	42
	Student	29	8
	Unemployed or non-student	12	3.1
	Total	384	100.0
Educational level of respondents	High school or below	140	36
	Certificate or diploma	101	27
	Degree or above	143	37
	Total	384	100.0
Monthly income of respondents	Below 2000	42	11
	Between 2001 and 5000	73	19
	Between 5001 and 10000	156	41
	Between 10001 and 20,000	102	26
	Above 20,000	11	3
	Total	384	100

Source: Own Research data (2019)

In table 4.2, the gender specification of the respondents is presented. The majority of the respondents are male. The frequency table shows that 78.6% of the respondents are male and the rest 21.4% are female.

In table 4.1, the age of all the respondents of the survey is also presented. In the table, the highest and lowest frequency of the age groups is mentioned. The highest frequency among these consumers is between 18 to 35 years of age. This means that most of the respondents are young

or middle age. The lowest frequency is above 55 years, which shows that fewer respondents are under this age group.

With regard to occupation of respondents, 31% of the respondents are government employees, 17% of the respondents are private or NGO employee, 42% of the respondents are self-employed, 8% of the respondents are students, and finally, 3.1% of the respondents are unemployed and non-student. From this we can understand that most of the respondents are self-employed and government employee respectively.

In the table above, educational status of each respondents has also been illustrated. Respondents that belonged high school or below are 36% and degree or above holders are 37%. Diploma holders have the lowest level of frequency with 27%. These results show that level of educational status among the respondents is high and that most of the respondents are educated and are belonged to higher than high school level.

With regard to monthly income of respondents, 11% of the respondents are under the range of income level below Birr 2000, 19% of the respondents are under the range of income level between Birr 2001 and Birr 5000, 41% of the respondents are under the category between Birr 5001 and Birr 10000, 26% of the respondents are categorized between Birr 10001 and Birr 20,000, and finally 3% of the respondents belongs to above Birr 20000 income level. From this we can understand that most of the respondents are under the category between 50001 and 10000 and between 10001 and 20,000 monthly income level respectively.

4.5 Descriptive Statistics

The student researcher used the descriptive statistics or central tendency to do the analysis of the study that is using mean scores of each variable. The main reason of using this measurement was to demonstrate the average responses of respondents for each question that was included under each dimensions of the predictor variable and to reach the grand mean of each dimension. Analysis of each of the four brand equity dimensions is discussed below. The responses for each variable were ranked on five-point Likert scale method with: 1= strongly disagree, 2= disagree, 3 = neutral, 4= agree and 5= strongly agree.

Standard deviation was also used to show the variability of measurements from the mean (average). The higher standard deviation indicates a wider distribution of the scores from the mean. This distribution indicates more heterogeneous or dissimilar spread of scores on a scale. While, if the value is lower, it shows a smaller range with comparable or homogeneous spread of scores around the mean (Mark, Philip and Adrian, 2009). Accordingly, consumers' view about each presented statements on each brand equity dimensions and their perception towards the studied independent variables are analyzed with the mean and standard deviation results as follows.

4.5.1 Consumers' Response on Brand Association

Brand Association is the attitude and feeling by which consumers make a connection with the brand, especially when it comes to purchasing decision. This section of the questionnaire is prepared to test the attitude and views about Brand Association levels of Nifas Silk Lafto Local Shoes Consumers. A series of four statements were presented to respondents and respondents were asked to rate their level of agreement with each statement. The table below shows the mean and standard deviation of each item under this dimension.

Table 4.3 mean and standard deviation for brand association

Items of brand association	Mean	SD.
I respect and admire people who prefer the shoe brand I use.	3.2560	1.16049
The brand of domestic shoe I use assists me to attain the type of life I desire for.	3.4058	1.21861
I can link and associate between my life experiences and the shoe brand I use.	3.3865	1.10401
I think others form a judgment regarding me with the type of brand I use.	3.8019	1.07233
Cumulative Mean of Brand association	3.46255	1.13886

Source: own research data, 2019

From the above table it can be seen that respondents rated highest to the statement which said "I think others form a judgment regarding me with the type of brand I use", having a mean of 3.8. The table also shows that respondents purchase the brand which helps them get the type of life they desire to attain as it was rated as second highest with a mean value of 3.41. Respondents

rated the statement about connections between the brand and life experiences as third highest, having a mean of 3.49, meaning they can associate between the brand they use and their lives. Least score was given to the statement “I respect and admire people who prefer the shoe brand I use”. But still 3.3 is a high score which indicated majority of respondents admire the brand users. According to Best (1977) the mean score of 3.4 –4.20 is under agree range. In table 4.3 above; the respondents’ response about Brand Association was rated as overall mean of 3.46. This implies that consumers consider their preferred domestic shoe brands as a significant asset to their characters and personality and associate it with their life. And this signals that brand association does come into account while making a decision to purchase shoes. The value of the standard deviation, (SD= 1.13), i.e., value >1, implies that the responses of the respondents were dispersed. In other words, the standard deviation value indicates that the participants’ responses are heterogeneous and widely spread from the mean.

4.5.2 Consumers’ Response on Brand Awareness

Brand Awareness is one of the important dimensions of Brand Equity. If a consumer had already heard about a brand, he/she would have some idea about the product. This makes the consumer feel more comfortable at the time of buying which is not the case with an unknown brand. This section of the questionnaire aimed to test the attitude and views about Brand Awareness levels of Nifas Silk Lafto local shoes consumers. A series of four statements were presented to respondents and respondents were asked to rate their level of agreement with each statement. Table 4.4 shows the mean and standard deviation for each item.

Table 4.4: mean and standard deviation of brand awareness

Items of brand awareness	Mean	Std. D.
I can recognize the brand of shoe I use easily.	3.8309	.98799
Whenever I think about shoe brands, the brand I use comes to my mind first.	3.5700	1.03515
I can easily recall some of the features of the brand of shoe I use.	3.8068	1.01511
I recognize the symbol or logo of my brand.	3.5604	.98285
Cumulative mean of brand awareness	3.69205	1.005275

Source: own research data, 2019

The descriptive statistics table above shows that the respondents rated highest to the recognition of the brand with a mean value of 3.83. The table also shows that respondents could easily recall features of the brand of the shoe they use and this was rated second with a mean value of 3.81.

The statement “Whenever I think about shoe brands, the brand I use comes to my mind first” was rated as the third highest rate in the table with a mean value of 3.57. And finally the table highlighted that the respondents rated lowest to logo recognition with a mean value of 3.56, but still this is high rate which shows that majority of the respondents recognize the logo of the shoe brand they use.

Table 4.4 shows that the mean value of the overall brand awareness dimension is 3.69, which can be considered as high signaling that brand awareness does come into account while making a decision to purchase shoes. The standard deviation value (SD= 1.005) i.e. >1, shows a higher spread of responses. This implies that the participants’ responses are heterogeneous and widely spread from the mean.

4.5.3 Consumers’ Response on Perceived Quality

Perceived quality shows consumers’ perception about the product’s quality or superiority which provides the fundamental reason to the consumers to purchase. Mostly consumers prefer to buy products that they assume is of good quality. This section of the questionnaire examines the quality perception level of the consumers about the products they decide to buy. A series of four questions were presented to respondents and respondents were asked to rate their level of agreement with each statement. Table 4.5 shows the mean and standard deviation for each item under this category.

Table 4.5: Mean and Standard Deviation of Perceived Quality

Items of perceived quality	Mean	SD.
I’m satisfied with the quality of my shoe brand.	3.5411	1.26836
My brand has consistent performance.	3.3623	1.11874
The aesthetic appeal of my brand is stylish.	3.7053	1.08167
The brand shoe I use provides better benefits.	3.7101	1.06262
Cumulative Mean of Perceived quality	3.5797	1.132848

Source: own research data, 2019

From Table 4.5 we can see that the statement “The brand shoe I use provides better benefits” has got the highest rate with a mean value of 3.71 which means majority of respondents believe that the brand they use provides them better benefits. The aesthetic appeal comes second with a mean value of 3.7, meaning respondents do check how the physical outlook of the shoe is like before a purchase judgment. Satisfaction with quality comes third in the table with a mean value of 3.54, still a high value showing satisfaction with quality is a good determinant. And the least rated statement was “My brand has consistent performance”, but 3.36 is still a high rate indicating consistent performance is another concern of the respondents in choosing a brand.

As we can see in Table 4.5, the perceived quality overall average mean is 3.57 which shows high level of agreement of the respondents with the statements under this category. This signals that perceived quality does come into account while making a decision to purchase shoes. The standard deviation value i.e. >1, shows the respondent’s responses were heterogeneous and widely spread from the mean.

4.5.4 Consumers’ Response on Brand Loyalty

Brand loyalty represents positive approach towards a brand causing a repeated purchase of the brand over time. Brand loyalty is decision of continuing purchasing regularly the same brand. This section of the questionnaire checks the attitude and views about Brand Loyalty levels of Nifas Silk Lafto Sub-City Shoe Consumers. A series of four statements were presented to respondents and respondents were asked to rate their level of agreement with each statement. The result is presented here in the table below.

Table 4.6: Mean and Standard Deviation of Brand Loyalty

Items of brand loyalty	Mean	SD.
The shoe brand, I currently use will always be my first choice.	3.4541	.96370
I do not easily switch to a new brand from the shoe brand I am familiar with.	3.0048	1.22869
I am comfortable in sticking to a brand even if there is less expensive brand available.	3.8406	1.14005
I am comfortable in sticking to a brand even if other equivalent brands are highly promoted to me.	3.8406	1.14005
Cumulative Mean of brand loyalty	3.535025	1.118123

Source: own research data, 2019

Table 4.6 highlighted that majority of respondents are comfortable in sticking to their brand choice even if other brands are highly promoted to them. This determinant has got a mean value of 3.84. With an equal mean rate of 3.84, it is also shown that majority of respondents do not easily shift their brand choice with availability of less price brand. In this same table we can also see that majority of respondents assured that the shoe brand they use will always be their first choice with a mean value of 3.45. Finally, the statement “I do not easily switch to a new brand from the shoe brand I am familiar with” has got 3.00 which still is significant.

According to table 4.6, the overall mean of the brand loyalty of Nifas Silk Lafto Sub- City domestic shoe consumers has scored 3.5 which shows high level of agreement of the respondents with the statements under this category. This shows that the target consumers tend to be attached to brands of their preference. And this in turn indicates brand loyalty does come into account while making a decision in purchasing shoes.

The standard deviation value i.e. >1 , showed a higher spread of responses. This means that the participants’ responses are heterogeneous and widely spread from the mean.

4.5.5 Consumers’ Response on Purchasing Decision

This section of the questionnaire is to examine the attitude and views about the level of dependence of purchasing decision of Nifas Silk Lafto Sub-City consumers of local shoes. A series of four statements were presented to respondents and respondents were asked to rate their level of agreement with each statement. In the table below the mean and standard deviation of each item is presented.

Table 4.7: Mean and Standard of Purchasing Decision

Items of Consumer Purchasing Decision	Mean	SD
My purchase decision depends upon how others think about me with the type of brand I use.	3.5057	.81944
My awareness regarding a shoe brand guides my purchase decision.	3.0460	.93893
The overall assessment of the quality of brand affects my purchase decision.	3.9080	.83013
In future, I will buy the same brand that I already have.	3.4943	.99853
Cumulative of Purchasing decision	3.4885	0.896758

Source: own research data, 2019

According to (Best, 1977) the mean score of 3.4 –4.20 is under agree range. As it can be seen from table 4.7 above, the mean value of purchase decision is 3.48 which is under the agree range. The highest mean score is obtained for the response “The overall assessment of the quality of brand affects my purchase decision” with a mean score of 3.90 while the statement " My awareness regarding a shoe brand guides my purchase decision” scored the lowest with a mean score of 3.04 but still is significant.

The above table shows that respondents rated all of the independent factors as making a positive contribution towards the dependent variable; i.e. purchasing decision, by having mean greater than 3.

The value of the standard deviation, (SD= .896) implies responses was around the mean value, i.e. a low spread of responses.

4.6 Inferential Analysis

4.6.1 Correlation Analysis

A correlation measures the strength or degree of linear association between two or more variables. Here Pearson Correlation Analysis was used to see the direction and strength of relation between the independent variable (i.e. Brand Awareness, Brand Loyalty, Perceived Quality and Brand Association) and the dependent variable (i.e, Purchasing Decision). The strength of a linear relationship and the direction of a linear relationship (increasing or decreasing) were performed. As per (Field, 2013) the strength (output of Pearson correlation analysis) of variables correlation could be interpreted as follows;

- 0 = No linear relationship
- $0 < |r| <= 0.3$... small / weak correlation
- $0.3 < |r| <= 0.5$... medium / moderate correlation
- $0.5 < |r| <= 1.0$... large / strong correlation

All basic basics were included in the correlation analysis and a bivariate two-tailed correlation test with statistical significance of 95%, $p < 0.05$ correlation analysis was made. Table 4.8 below presents the Pearson Correlation between each brand equity dimension and purchase decision of domestic shoes.

Table 4.8: Correlation Analysis

		Consumer Purchasing Decision
Brand Association	Pearson Correlation	.629**
	Sig. (2-tailed)	.000
	N	384
Brand Awareness	Pearson Correlation	.690**
	Sig. (2-tailed)	.000
	N	384
Perceived Quality	Pearson Correlation	.651**
	Sig. (2-tailed)	.000
	N	384
Brand Loyalty	Pearson Correlation	.340**
	Sig. (2-tailed)	.000
	N	384

Source: own research data, 2019

As it is clearly indicated in Table 4.8, a strong positive relationship was found between Brand Awareness and Purchasing Decision ($r = .690$, $p < 0.05$), Perceived quality and purchasing decision ($r = .651$, $p < 0.01$), Brand Association and Purchasing Decision ($r = .629$, $p < 0.01$). And a moderate positive relationship was found between Brand Loyalty and Purchasing Decision ($r = 0.340$, $p < 0.01$). All are statistically significant at 95% confidence level.

We cannot make direct conclusions about causality from a correlation, but we can take the correlation coefficient a step further by squaring it. The correlation coefficient squared (known as the coefficient of determination, r^2) is a measure of the amount of variability in one variable that is shared by the other (Field, 2009).

4.6.2 Assumptions of Regressions Analysis

This study has conducted the assumption tests such as, linearity and normality. Multiple Regressions is a statistical tool that is used to predict someone's score on one variable according to their scores on other variables. Then, the following assumption tests should be

done (Pallant, 2007). It is needed to do this because it is only appropriate to use linear regression if the required data passes assumptions that are required for linear regression to give a valid result.

4.6.2.1 Sample size

Different authors tend to give different guidelines concerning the number of cases required for multiple regressions. Tabachnick and Fidell (2001) formulated a calculation for sample size requirements, using the number of independent variables. Accordingly the sample size required is: $N > 50 + 8m$ (where m = number of independent variables, and N = sample size). In this study four independent variables had existed and sample size was 384. Therefore, the study satisfies sample size assumption.

4.6.2.2 .Multicollinearity

Multi Collinearity is used to describe correlation among independent variables. If there is high correlation between two or more predictor variables, it may cause problems when trying to draw inferences about the relative contribution of each predictor variable to the success of the model (Pallant, 2007). Multicollinearity in this study was tested using Variance Inflation Factor (VIF) value and tolerance value. If tolerance value closed to 1 and VIF value is around 1 and not more than 10, it can be concluded that there is no multicollinearity between independent variable in the regression model (Pallant, 2007). Below Table 4.9 shows there is no multicollinearity.

Table 4.9 Collinearity Statistics

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Brand Association	.471	1.122
	Brand Awareness	.468	1.136
	Perceived Quality	.526	1.003
	Brand Loyalty	.502	1.020

Source: own research data, 2019

As we can see from table 4.9 above, The VIF of each independent variable is around 1 but not more than 10 and tolerance value is closed to 1. This indicates that there is no multicollinearity among the independent variables.

4.6.2.3 Normality Test

Usually normality test is implemented to check whether the data is normally distributed in normal distribution curve or not.

The two common ways to test normality are the statistical method and the graphical method. The researcher has run the descriptive statistics to get skewness and kurtosis. The criteria are that the kurtosis value should be within the mean +2 to -2 range when the data are normally distributed (Garson, 2012).

Table 4.10: Skewness and kurtosis statistics

Constructs	Skewness	Kurtosis
Brand association	.837	-.097
Brand awareness	-.632	-.455
Perceived quality	-.880	.473
Brand loyalty	.293	-.940
Consumer purchasing decision	.371	.512

Source: SPSS Result, 2019

From table 4.10 above it is seen that all the values of skewness and the kurtosis are between -2 and +2. Therefore we can conclude that that data witnesses to normality assumptions.

We can also see from Appendix II that graphical normal P-P plot of regression-standardized residuals shows normally distributed residuals, which is one of the assumptions of linear regression analysis. Hence, the normality assumption is fulfilled.

4.6.2.4. Linearity Test

Linearity refers to the degree to which the change in the dependent variable is related to the change in the independent variables. Linearity test is checking the dependent variable is a linear function of the independent variables. Multiple regressions can accurately estimate the relationship between dependent and independent variables when the relationship is linear in nature (Osborne& Waters, 2002).

To determine whether the relationship between the dependent variable (Purchasing decision) and the independent variables (brand awareness, brand association, perceived quality, and brand

loyalty) is linear, plots of the regression residuals through SPSS had been used. As can be seen from the graph (in annex III) the plot of residuals shows no large departure from linearity in the spread of the residuals. Using visual inspection of the scattered plot in the graph we can see that the relationship that is being predicted is linear. Therefore, the variables met the linearity assumption.

4.6.2.5. Significance Level

Significance level is the measurement of how likely a result is to be true (Kothari, 2004). 95% is commonly used as a significance level i.e., the result will have a 95% chance of being true. Therefore, for this study, a significance level of 0.95 was set. 0.05 P value indicates that there is 95 % probability that any selected samples from the study population would give the same results. From this we can understand that statistical result with P value less than 0.05 can be taken as statistically significant.

4.6.3 Regression Analysis

Regression analysis was implemented to investigate the extent of influence that the independent variables (Perceived Quality, Brand Awareness, Brand Association, and Brand Loyalty) have on the dependent variable (Purchasing Decision). Regression analysis helps to get a predictive model for dependent variable (Purchasing Decision) from independent variables (Brand Awareness, Brand Association, Perceived Quality, and Brand Loyalty). It also helps to generate inference to test the hypothesis. Hence, in order to see the effect of brand equity of domestic shoes on consumer purchasing decision, multiple linear regression analysis was employed. Multiple Linear regression estimates the coefficient of the linear equation, involving all independent variables (Brand Awareness, Brand Association, Perceived Quality & Brand Loyalty) that best predict the value of the dependent variable (Consumer Purchasing Decision).

1.6.1.1 Model Summary

Table 4.11: Model Summary Analysis

Model Summary ^b										
Mod	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df 1	df2	Sig. F Change	
1	.755 ^a	.569	.563	.57193	.569	89.455	3	203	.000	1.712

Source: own research data, 2019

In the table above, R column represents the value of R, and it is multiple correlation coefficient. It is considered to be one measure of the quality of the prediction of the dependent variable. In this research the dependent variable, Purchasing Decision, value of R is 0.755. It is a good level of prediction (Charry, K., Coussement, K., Demoulin, N., Heuvinck, N., 2016).

R Square column shows the R^2 value which is also called coefficient of determination. It is a proportion of variance in the dependent variable which is explained by the independent variables. As seen on table 4.9, R^2 resulted 0.569 indicates that the independent variables explain 56.9% of the variability of the dependent variable.

Adjusted R square indicates that the variance of the dependent variable (Purchasing Decision) as explained by the independent variables. In this research it resulted 0.563. It is interpreted as 56.3% of the variance.

Table 4.12: Regression Coefficient Analysis

Model	Unstandardized Coeff.		Standardized Coeff.	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	-.172	.230		-.749	.455		
Brand Association	.220	.078	.188	2.809	.004	.471	1.122
Brand Awareness	.465	.084	.375	5.571	.000	.468	1.136
Perceived Quality	.373	.080	.295	4.643	.000	.526	1.003
Brand Loyalty	.295	.077	.226	3.571	.001	.502	1.020

Source: own research data, 2019

As can be seen in the table above the standardized coefficient, Beta value for Brand Awareness is Beta= 0.375. This shows that the Brand Awareness is the highest contributor to the model

affecting purchasing decision positively. In other words 37.5% of every change on Brand Awareness can be explained on Purchasing Decision. The value of t is to show the significance or insignificance of the effects of the independent variables upon the dependent variable. If the value of t is greater than 2, the results will be significant (Mahmood, 2015). Here, the value of t for the Brand Awareness was greater than 2. This shows that the influence of Brand Awareness on purchasing decision is significant.

The standardized coefficient value for Perceived Quality (Beta= 0.295) shows that the perceived quality is highly contributing to the model affecting Purchasing Decision positively. In other words, 29.5% of every change on perceived quality can be explained on Purchasing Decision. Here, the value of t for the Perceived Quality was greater than 2. This shows that the influence of Perceived Quality on Purchasing Decision was significant.

As shown in the above table the standardized coefficient, Beta value for Brand Loyalty is 0.226. This shows that the Brand Loyalty is significantly contributing to the model affecting purchasing decision positively. In other words, 22.6% of every change on Brand Loyalty can be explained on Purchasing Decision. The value of t for the brand loyalty is greater than 2. This shows that the influence of brand loyalty on purchasing decision was significant.

Concerning Brand Association, the standardized coefficient (Beta= 0.188) shows that the Brand Association is contributing significantly to the model affecting Purchasing Decision positively. In other words, 18.8% of every change on Brand Association can be explained on Purchasing Decision. Finally, the value of t , which is greater than 2, also shows that the influence of Brand Association on Purchasing Decision was significant.

By looking at the results therefore the regression equation will be:

$$Y = -.172 + 0.188X_1 + 0.375X_2 + 0.295X_3 + 0.2262X_4$$

Where

- X_1 = Brand Association
- X_2 = Brand Awareness
- X_3 = Perceived Quality
- X_4 = Brand Loyalty

4.6.4 ANOVA MODEL FIT

Table 4.13: ANOVA Analysis

ANOVA ^b						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	87.782	3	29.261	89.455	.000 ^a
	Residual	66.401	203	.327		
	Total	154.184	206			

Source: own research data, 2019

F-ratio is used to test the overall regression model to know if it is good fit model for the data. In table 4.13 we can see that F-ratio is 89.45 and this shows that the independent variables predict the dependent variable (Purchasing Decision) statistically and significantly. Regression df = 3, residual = 66.4, sig < 0.05 indicates that the predictors account for significant proportion of variance statistically (Charry, K., Coussement, K., Demoulin, N., Heuvinck, N., 2016).

4.7 Hypothesis Testing

Proposed hypothesis are tested based on the results of the regression analysis. By looking at the Sig.-value in Table 4.12, it is possible to interpret whether the particular independent variable has a significant effect on the dependent variable. Hypothesis is supported when the Sig. value is less than 0.05; and a hypothesis is rejected when the Sig. value is equal or greater than 0.05.

H1: Brand Association has significant positive effect on Purchasing Decision.

The result of multiple regressions, as presented in table 4.12, revealed that Brand Association has a positive and significant effect on Purchasing Decision with a beta value (beta =0.188), at 95% confidence level ($p < 0.05$). This implies a unit increase in brand association will produce a 0.188 unit increase in purchasing decision. Therefore, the student researcher accepted the hypothesis that brand association has a positive significant effect on purchasing decision.

H2: Brand Awareness has significant positive effect on Purchasing Decision.

The result of multiple regression in the table 4.12 also shows that Brand Awareness has a positive and significant effect on Purchasing Decision with a beta value (beta =.375), at 95% confidence level ($p < 0.05$). And this means that a unit increase in Brand Awareness will produce a 0.375 unit increase in purchasing decision. Therefore, the student researcher has accepted the hypothesis that Brand Awareness has a positive significant effect on Purchasing Decision.

H3: Brand Loyalty has significant positive effect on Purchasing Decision.

The Regression coefficient analysis table shows that Brand Loyalty has a positive and significant effect on Purchasing Decision with a beta value (beta =.226), at 95% confidence level (p < 0.05). This implies a unit increase in brand loyalty will produce a 0.226 unit increase in purchasing decision. Therefore, the student researcher has accepted that, Brand Loyalty has a positive and significant effect on Purchasing Decision.

H4: Perceived Quality has significant positive effect on Purchasing Decision.

Table 4.12 shows that Perceived Quality has a positive and significant effect on purchasing decision with a beta value (beta =.295), at 95% confidence level (p < 0.05). This means that a unit increase in Perceived Quality will produce a 0.295 unit increase in Purchasing Decision. Therefore, the student researcher has accepted the hypothesis that Perceived Quality has a positive significant effect on Purchasing Decision. And this agrees with the study (Lin & Chang, 2003; “Perceived quality makes the consumers satisfied which make them repurchase the product.”).

Table 4.14 : Summary of Hypothesis Testing Results

Hypothesis	Test Result
Brand Association has a positive significant effect on purchasing decision.	Supported/Positive
Brand Awareness has a positive significant effect on purchasing decision	Supported /Positive
Perceived Quality has a positive significant effect on purchasing decision	Supported /Positive
Brand Loyalty has a positive significant effect on purchasing decision	Supported /Positive

Source: own research data, 2019

4.8 Discussions of Results

As the finding from descriptive statistics has shown the respondent’s perception towards brand equity dimensions and consumer purchasing decision is from high to medium level of agreement. The highest level of agreement was with the Brand Awareness measurement with mean value=

3.69 and standard deviation= 1.00 and the lowest agreement was with the brand association measurement with mean value = 3.46 and standard deviation=1.13.

One of the most important research findings that can be conclude from this research is that Brand Awareness is positively and significantly related to consumer Purchasing Decision of Nifas Silk Lafto Sub-City local shoe consumers. Previous researches have also highlighted the significant relationship between Brand Awareness and consumer purchasing decision. For example, Jalilvand., (2011), Khan., (2015), Latwal & Sharm (2012) and Fouladivanda (2013). Umar et.al (2012) also found out that Brand Awareness is the major dimension in determining the overall Brand Equity.

The next most important factor that can affect consumer purchasing decision is, Brand Perceived Quality. As the above statistics imply, Brand Perceived Quality has a positive and significant effect on consumer Purchasing Decision of Nifas Silk Lafto local Shoe Consumers. This finding is consistent with Jalilvand (2011), and Manzoor.A & Adeel Shaikh.K, (2016).

The findings of this research are also consistent with that of Abad (2012) and Hossien (2012) who found out that Perceived Quality had a positive effect the customer's overall brand equity. Moreover, Aaker (1996), views Perceived Quality as the core/primary| facet across the consumer buying behavior framework. Similarly Zeithaml (1988) describes Perceived Quality as not the real quality of the product but the customer's perception of the overall quality or superiority of the product (or service) with respect to what is expect from, relative to other alternatives. Nowadays, marketers across all product and service categories have increasingly recognized the importance of perceived quality in purchasing decision.

In regard to Brand loyalty, it has a positive and significant effect on consumer purchasing decision of Nifas Silk Lafto local shoes consumers. The finding is consistent with results obtained by Jalilvand, et al., (2011), and Lekprayura, S. (2012).

According to the research findings, Brand Association has also a positive and significant effect on consumer purchasing decision of Nifas Silk Lafto Sub- city local shoes consumers. The finding is consistent with results obtained by Jalilvand (2011), Lekprayura, S. (2012), and Hanna, K (2016).

So, over all, the most important brand equity dimension that affect consumer purchasing decision of Nifas Silk Lafto sub city local shoe consumers is Brand Awareness with (beta = 0.375 and $p < 0.05$) followed by Brand Perceived Quality (beta = 0.295 and $p < 0.05$), Brand Loyalty (beta = 0.226 and $p < 0.05$) and Brand Association (beta = 0.18 and $p < 0.05$).

The correlation result shows that there is positive and significant relationship between Brand Equity dimensions and Consumer Purchasing Decision.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION, AND RECOMMENDATIONS

5.1 Summary of Findings

After the detail analysis of the data the following findings were reached and addressed the re-search questions of the study.

- The mean score of brand association is 3.46; this indicated that consumers showed high level of brand association for their brand choice of local shoe products in Nifas Silk Lafto Sub-City. Brand association encompasses all thoughts, feelings, perceptions, images, experiences, beliefs, attitudes which are related to a brand.
- The mean score of brand awareness is 3.69; this shows consumers were sufficiently showing their high degree of awareness about the brand of the shoes they purchase. Brand awareness is consumers' ability to confirm prior exposure to the brand when given the brand as a cue. And this means brand recognition requires that consumers correctly identify the brand as having been seen or heard previously.
- Perceived quality has scored a mean value of 3.57; this shows that majority of respondents rated that they perceived the brand of the shoes they purchase is quality brand. Perceived quality is not the objective or real quality but it is the customers' judgment about a product's overall excellence or superiority (Zeithaml, 1988).
- As can be seen from Table 4.6 brand loyalty has scored 3.53. From this it is clear that majority of respondents are loyal to the brand of the shoes they purchase, i.e., they take the brand as their first choice and this in return comes from the highest level of awareness (top-of-mind), where the matter of interest also is the brand, in a given category, which the consumers put at the first choice.
- The mean score of consumer purchasing decision is 3.48; this indicated that respondents showed high level of agreement that their purchasing decision depends on the brand equity dimensions.

- In general the results indicated that most of respondents showed high level of agreement with the practice of brand equity variables, brand awareness, brand association, brand loyalty, and perceived quality.
- The correlation results show that there is positive and significant positive relationship between the brand equity variables (brand association, brand awareness, brand loyalty, and perceived quality) and consumer purchasing decision. The findings further indicate that the highest relationship is found between brand awareness and consumer purchasing decision ($r = 0.690$, and $P < 0.05$) and the lowest relationship is found to exist between brand loyalty and consumer purchasing decision ($r = .340^{**}$ and $P < 0.01$).
- In regard to the regression result, the findings show that Brand association was found to significantly explain 18.8% % of variation on consumer purchasing decision. As such, hypothesis H1: “there is significant effect of brand association on consumer purchasing decision” is accepted.
- The findings also show that brand awareness significantly explains 37.5% of the variation on purchasing decision. Therefore H2: “there is positive significant effect of brand awareness on consumer purchasing decision” is supported.
- Brand loyalty was found to positively and significantly explain 22.6% of variation on consumer purchasing decision. Therefore, hypothesis H3: “there is significant effect of brand loyalty on consumer purchasing decision” is supported.
- Perceived quality has positively and significantly explained 29.5 % of variation on consumer purchasing decision. Therefore, hypothesis H4: “there is significant effect of perceived quality on consumer purchasing decision” is accepted.
- The overall results revealed that all independent variables accounted for 56.9% of the variance in consumer purchasing decision ($R^2 = 0.569$). Thus, 56.9% of the variation in consumer purchasing decision can be explained by the four brand equity dimensions and other unexplored factors may limit consumer purchasing decision which accounts for about 43.1%.

5.2 Conclusion

On this study questionnaire was conducted and data was gathered from 384 respondents by non-probability sampling method to evaluate the effect of Brand Equity dimensions on consumer's purchasing decision of local shoes consumers in Nifas Silk Lafto Subcity. Based on the findings the following conclusions are presented.

- The findings of the study indicate that Brand Awareness was the most dominant factor showing positive significant effect on the purchasing decision of the local shoes consumers in Nifas Silk Lafto Sub city. It scored a beta coefficient of .375, at $p < 0.05$.
- The findings of the study indicate that Perceived Quality is found to be the second highest significant dimension with Beta value of 0.295 at $p < 0.05$. Perceived Quality is normally looked at in terms of customer's judgment. So, the finding of the study indicates, perceived quality has a power in enhancing a product's superiority in the minds of consumers. That is, Perceived Quality has significant positive effect in purchasing decision of the local shoe consumers in Nifas Silk Lafto Sub city.
- Brand Loyalty was found to be the third significant factor out of the four brand equity dimensions in affecting purchasing decision with Beta coefficient value of 0.226 at $p < 0.05$. This indicates that consumers consider their preferred brand as their first choice and do not easily shift their preference of a brand in purchasing shoe products. The brand of their choice comes first in the consumers mind when a purchase decision arises. In other words consumers are loyal to their brand choice. Therefore it can be concluded that Brand Loyalty has significant positive effect on purchasing decision of local shoe consumers in Nifas Silk Lafto Subcity.
- Brand Association was found to be the least factor in affecting consumer purchasing decision but still significant with beta coefficient value of 0.188 at $p < 0.05$. This indicates that consumers associate their feelings, experiences, beliefs and attitudes with their brand of choice. So, from this result it can be concluded that Brand Association has significant positive effect on purchasing decision of local shoe consumers in Nifas Silk Lafto Sub city, even though it is least of the four brand equity dimensions.

- In general results of this study indicate that the dimensions of brand equity has significant positive effect on purchasing decision of local shoe consumers in Nifas Silk Lafto Subcity. The consumers tend to make purchase decisions when they are familiar with the brand, when they can associate the brand with some part of their life and when they perceive that the brand has the quality they expect. These intensions will finally be strengthened by brand loyalty.
- The results from correlation and multiple regression analysis showed that of the four brand equity dimensions the biggest contributor in predicting purchasing decision was Brand Awareness. i.e., Consumers' awareness towards the brand they use influences their purchasing decision more.
- The second strongest contributor was Perceived Quality. Consumers' perception about the quality of the shoes brand highly influences their purchasing decision.
- The third and the fourth level contributors according to this research are Brand Loyalty and Brand Association, respectively.

5.3 Recommendation

Based on the findings of this research, the researcher gives the following recommendations to the companies who produce and sell local shoes products.

- Brand Awareness is the most dominant dimension of brand equity that has a significant effect on consumer purchasing decision of Nifas Silk Lafto local shoe consumers. So, in order to increase sales and market share of their brand; the marketing managers of domestic shoes companies have to work effectively on building strong positive Brand Awareness. For this they may use any kind of promotion. Having an active presence on social media is for example good method of advertising nowadays. Having a functioning nearness via web-based media is additionally acceptable technique for promotion his days. Sometimes recognizing brand name alone can be sufficient to decide which brand to purchase. Therefore, companies should be care full in choosing brand name. Brand name should be attractive and easily memorable. They should choose brand names that are psychologically

connected to inspire target customers. Local shoe firms should increase frequency of brand advertisement and allocate sufficient amount of budget to design message that is persuasive and creative because effective promotion pays a return.

- Brand Perceived Quality is also found to be important dimension of brand equity that has a significant effect on consumer purchasing decision of domestic shoe consumers, so marketing managers of the domestic shoes need to build strong positive perception on their customers about the quality of their products by developing customer-driven quality strategy. They can create consumers satisfaction and value by consistently meeting consumer's needs and preferences for quality because Perceived Quality is not the actual quality of the product, but the consumer's subjective evaluation of the product and the brand. Producers of domestic shoes should respond for every complaint raised by customers in a professional manner and it is also recommended for local producers to hire highly skillful sales force who could find out customers expectation so that company always make improvements on the products to make them be in accordance of the customers expectation. Consumers can also see quality of shoe products in terms of quality assurance certificates or acceptable quality standards. Therefore firms are recommended to have quality standard assurance from authorized body and communicate this with customers.
- Since Brand Association has also significant effect on Consumer Purchasing Decision of the local shoe consumers, marketing managers of the domestic shoe producers should be involved on the key brand association's components of image dimension that are unique to the domestic shoe product or brand through the three measurements of brand association. The three Measurements /differentiation of brand association are the brand as product (value), the brand as person (brand personality) and the brand as an organization (organizational associations) as stated by Aaker, 1996. The producers should also focus on brand performance and brand association where meaning of the brand should be communicated to the target market in relation to the intended life style of target customers so that they can better evaluate, judge and form positive feelings regarding the shoes brand.
- As brand loyalty has a significant effect on consumer purchasing decision, the marketers (of the domestic shoe) should work on not only attracting new consumers but also retaining

them. Getting consumers by itself can't make the consumers stay rather giving consumers a reason to stay is important. Consumers can feel the reason to come back if the marketer provides them good service, good product and discount of loyalty program etc., in order to affect consumer purchasing decision. To increase brand loyalty, domestic shoes producers should adopt/revise their customer loyalty programs that may include from providing giveaway, loyalty incentives and customer retention programs. For example, the company may provide awards for long time customers, celebrating customers day, providing coupons and other creative incentives that make customers feel intimate with the brand.

- Branding play significant role in the success of every business endeavor. In this view domestic shoe companies are recommended to improve and sustain their brand. These can be done through customer survey on their brand or brand performance assessment. Consumers tend to continue buying products when they have a good knowledge about the brand or product; they trust the well-known brand.
- Customer relationship management must be given a maximum attention and also brands should have much impact on consumers' behavior to build a strong relationship between the brand and consumer purchasing decision.
- The objective of this study was to examine the effect of Brand Equity on Consumers' Purchasing Decision of domestic shoe consumers. And the study has approved that brand equity dimensions have significant positive effect on customer purchasing decision. So accordingly the researcher recommends domestic shoe producers to work hard in building their brand equity in order to increase their sales and market share.

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APPENDICES

Appendix I

Questionnaire

JIMMA UNIVERSITY

SCHOOL OF GRADUATE STUDIES

MBA PROGRAM

Dear Respondents

First of all my sincere gratitude goes to you. I am working on my thesis for Masters of Business Administration (MBA) at Jimma University and the title of my research is: “**Effect of Brand Equity on Consumer Purchasing Decision of Domestic Shoes products: in the case of Nifas Silk Lafto Sub-City, Addis Ababa**”. I conduct the research as partial fulfillment of the Masters of Business Administration of the Jimma University.

Thank You in Advance for Your Cooperation

Direction

- There is no need to write your name or other identity
- Your response will be kept confidential and will be used only for academic purpose

Please respond to the item in the questionnaire by putting a tick mark (√) inside the box.

Part I: Background information of respondents

1. **Gender** Male Female
2. **Age** 18 – 25 26 – 35 36 – 45 46 – 55 Above 55
3. **Educational Level** High School Certificate Diploma Degree Masters and above
4. **Occupation** Government Employee Private Employee Self Employed Student Unemployed non –student

5. Monthly Income (in Birr)

- Below 2000 Between 2001 and 5000 Between 5001 and 10000
 Between 10001 and 20,000 Above 20,000

Part II: BRAND EQUITY RELATED QUESTIONS

Below, in the table, there are statements used to measure the impact of Brand Equity toward Purchasing Decision. Please indicate your level of agreement with each statement using the scale below as a guide. Put (√) mark on your selection.

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

SN	INDEPENDENT VARIABLES	SD	D	N	A	SA
	BRAND ASSOCIATION	1	2	3	4	5
1	I respect and admire people who prefer the shoe brand I use.					
2	The brand of domestic shoe I use assists me to attain the type of life I desire for.					
3	I can link and associate between my life experiences and the shoe brand I use.					
4	I think others form a judgment regarding me with the type of brand I use.					
	BRAND AWARENESS					
1	I can recognize the brand of shoe I use easily					
2	Whenever I think about domestic shoe brands, the brand I use comes to my mind first.					
3	I can easily recall some of the features of the brand of shoe I use.					
4	I recognize the symbol or logo of my brand.					
	PERCEIVED QUALITY					
1	I'm satisfied with the quality of my domestic shoe brand.					
2	My brand has consistent performance.					
3	The aesthetic appeal of my brand is stylish.					
4	The brand shoe I use provides better benefits.					
	BRAND LOYALTY					
1	The domestic shoe brand, I currently use will always be my first choice.					
2	I do not easily switch to a new brand from the shoe brand I am familiar with					
3	I am comfortable in sticking to a brand even if there is less expensive brand					

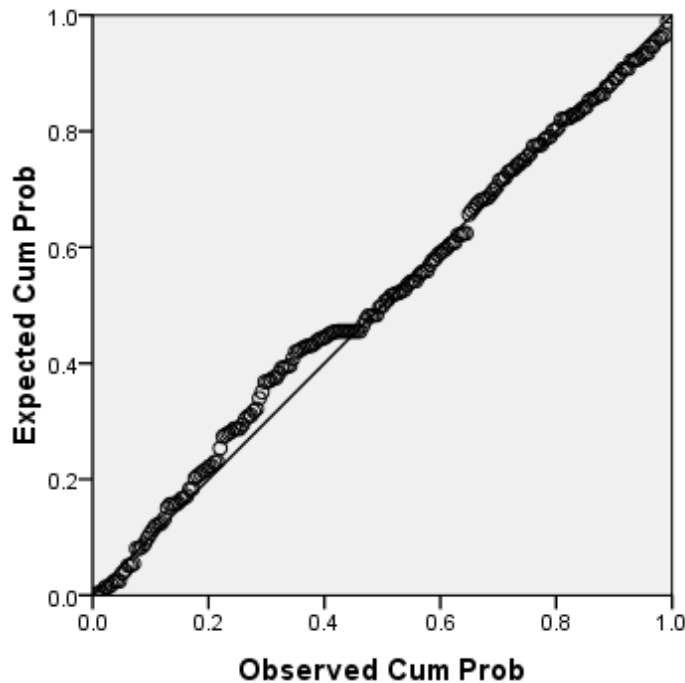
	available.					
4	I am comfortable in sticking to a brand even if other equivalent brands are highly promoted to me					
PURCHASING DECISION						
1	My purchase decision depends upon how others think about me with the type of brand I use.					
2	My awareness regarding a shoe brand guides my purchase decision.					
3	The overall assessment of the quality of brand affects my purchasing decision.					
4	In future, I will buy the same brand that I already have.					

THANK YOU SO MUCH!!!

Appendix II: P-P Plot to Test Normality of the Data

Normal P-P Plot of Regression Standardized Residual

Dependent Variable: CONSUMER PURCHASING DECISION



Source: own research data, 2019

Appendix-III: Scatter Plots Showing Linear Relationships with Standardized Residuals



Source: own research data, 2019