



**ST. MARY'S UNIVERSITY
SCHOOL OF GRADUATE STUDIES
DEPARTMENT OF MARKETING MANAGEMENT**

**THE EFFECT OF MARKETING MIX PRACTICES ON BRAND
EQUITY MEDIATED BY RELIGION – THE CASE OF ONE
WATER BRAND**

**BY
NATNAEL ZEWDIE**

**JUNE 2021
ADDIS ABABA**

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MEDIATED BY RELIGION – THE CASE OF ONE WATER BRAND**

BY

NATNAEL ZEWDIE

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ADVISOR: MULUGETA G/MEDHIN (PHD)

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ADDIS ABABA

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SCHOOL OF GRADUATE STUDIES


APPROVAL SHEET

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ABABA**

BY

NATNAEL ZEWDIE

APPROVED BY BOARD OF EXAMINERS

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|---|---|-------------|
| _____ | _____ | _____ |
| Dean, Graduate Studies | Signature | Date |
| <u>Mulugeta G/Medhin (PHD)</u> | _____ | _____ |
| Research Advisor | Signature | Date |
| <u>Yibeltal Nigussie (Asst. Prof.)</u> |  | _____ |
| External Examiner | Signature | Date |
| <u>Temesgen Belayneh (PHD)</u> | _____ | _____ |
| Internal Examiner | Signature | Date |

DECLARATION

I, the undersigned, declare that this thesis “**THE EFFECT OF MARKETING MIX PRACTICES ON BRAND EQUITY MEDIATED BY RELIGION – THE CASE OF ONE WATER BRAND**” is my original work, prepared under the guidance of **Mulugeta G/Medhin** (Ph.D.). All sources of materials used for this thesis have been duly acknowledged. I further confirm that the thesis has not been submitted either in part or full to any other higher learning institution for the purpose of earning any degree.

Name

St, Mary’s University, Addis Ababa

Signature

June 2021

ENDORSEMENT

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

Advisor

St, Mary's University, Addis Ababa

Signature

June 2021

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ABBREVIATION AND ACRONYMS

| | |
|-------|--------------------------------------|
| ANOVA | Analysis of Variance |
| BE | Brand Equity |
| CBBE | Consumer Based Brand Equity |
| ECSA | Ethiopian Central Statistical Agency |

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ABSTARCT

The main objective of the study is to examine the effect of marketing mix practice on brand Equity on One Water brand mediated by religion. Quantitative approach was applied in this study to get insight into the nuances of the process for optimal selection of methodology tools that best fitted the respective stages undertaken along the research process. Explanatory research design was used to investigate the effect of the independent variables such as; price, perceived product quality, promotion and distribution on the overall consumer-based brand equity of the consumers mediated by religion. All consumers of One Water bottled water are the study's population from which the sample frame was drawn. As for the sampling technique, non-probability sampling method, specifically convenient sampling technique was applied by engaging customers available at certain specific times and places appropriate for the researcher. The sample size of the study was a total of 384 targeted consumers with a response rate of 85%. Primary source of data was collected from the targeted population through the Self-administered standardized questionnaire. Once the data was collected, both descriptive and inferential statistics were implemented for analysis. The findings of the study indicated that all the independent variables (product, price, promotion, and distribution) were found to have significant effect on brand equity. The result also indicated that marketing mix practices had significant effect on the mediator variable /religion. But religion didn't significantly mediate the marketing mix and brand equity. Marketing mix and religion explain 48.2% variance in brand equity of One Water bottled brand. Finally, based on the finds of the study, it is recommended that lowering the selling price, understanding customers' perception on the value of the product, and utilize religion practices as a basis for their marketing strategy.

Keywords: Marketing Mix Elements, Brand Equity, One Water, Religious Practices

CHAPTER ONE

1. INTRODUCTION

1.1. Background of the Study

Brand distinguishes one product from a similar type and penetrates into consumers' perception and cognition. Having a powerful brand equity helps build strategic position in a given market which plays an instrumental role regarding sustainable advantage as it is a valuable intangible asset for businesses. It generates a type of added value for goods or services thus helping companies' long-term interests (McCarthy, 2011). Establishing a strong brand is a strategic priority for many companies since general beliefs indicate that powerful brands can bring forth competitive advantage for companies in their target markets. Marketing strategy is often considered the most important means of establishing such brand values or equities. However, the building process of brand equity through effective marketing strategies will have different outcomes in different cultural orientation (Perreault, 2013). It is evident that there is a tendency of cryptic marketing that refers to affiliation of buyers in preferring to buy goods from suppliers who had same religion, ethnicity, nationality, etc.

Despite the cultural difference, marketing mix is one of the major categories related to decisions and assessments of a firm's marketing strategies. It is a combination of elements necessary to plan and implement the entire marketing campaign (Keller, 2010). On the other hand, selecting one of the choices may affect the activity of the others, and if the components of marketing mix are effectively combined with each other to address consumer needs lead to creation of a successful marketing competitive advantage (Aaker, 2004). This competitive advantage is seen in the format of setting ideal prices, increasing the productivity of marketing strategies, increasing profit margin, rising in demand and customers' satisfaction, facilitating brand expansion, building entry-barriers, retaining customers, etc. results in building customer brand equity (Porter, 2005)

Branding has become the essential part and parcel of modern business companies. Increased revenue, increased number of customers and loyalty are indicators of growth for most organizations in the competitive market (Perreault, 2011). Thus, a brand reputation is the image of superior quality and added value, which justify a premium price. A reputable brand is a strong asset, which benefits from a high degree of loyalty and stability for future sales (Kotler, 2012). Ultimate goals of

highly reputed brands should be to strengthen their image. Low selling brands with low reputation should focus on tailoring their marketing mix and fixing the overall image problem. According to McCarthy (2011), a preferred brand builds an organization to establish itself in the market and earn an edge in the competition. In a global market where there are a variety of brands from many producers and firms with similar functionalities, establishing a distinguished product has enabled the firms differentiate themselves in terms of brands of value and quality to consumers. Building strong brand enables firms to lower their marketing cost and to charge fair price (Wright, 2013).

Extant researches have revealed that marketing mix strategies have significant effect on consumer preference and brand equity results in relatively higher brand value than their strategic competitors. However, the influence of cultural difference even within a given society has got less attention for the fact that a number of studies were conducted in developed or western countries context. Thus, the generalizability of the results of their findings is still in question. In this regard, researches have shown that differences in value systems across various cultures appear to be associated with major differences in consumer behaviour (Corkindale & Lowe, 2008; McCracken, 2010; Cho, 2014). Further, previous studies suggest that consumers in different parts of the world can vary in their attitudes and opinions on marketing activity because of cultural, economic, and consumption disparities among nations (Green, 2013; Jain, 2016; Rodman, 2017).

The importance of investigating the influence of cultural differences such as religion on the enhancement of brand equity through marketing mix strategies in terms of product, price, promotion and distribution aspects is undeniable. Evaluating the mediating role of religion on the relationship between marketing mix strategy and brand equity helps to bridge the practical-knowledge and empirical gaps in regards to how religion affect the effectiveness of marketing mix practices so as to build strong brand equity within a given society.

1.2. Statement of the Problem

Religion is documented as an essential factor that profoundly influences consumer buying decisions (Forghani, 2019). Religion may serve to link consumers to a style of life that determines the pattern of consumption. Studies examining the effect or impact of religion on consumer behaviour are based on two aspects: religion and religiosity (Agarwala, 2019; Choi, 2013). The religious association mainly explored in comparison with the denominational association or the religious identification of a person (e.g., Catholic, Protestant, Muslim and Jewish). Although religiosity (in

other words, religious commitment) is a significant construct to identify the effect of ethical behaviour on a consumer's consumption and purchase behaviour (Shukor, 2013).

From the marketing point of view, the stability of religious affiliated consumer behaviour implies the potential of religion as the basis for market targeting and strategies (Delener, 1990a). This is because much information about typical consumers is in a state of flux, that is, the relevancy of certain characteristics to an individual or a group might change depending upon time and situation. Indeed, marketers cannot rely heavily on the implications related to consumers' basic demographics such as discretionary income, education attainment, chronological age and employment status, as these characteristics change over time and from one generation to the next, thus hampering marketers in segmenting the market to its full potential (Burnett, 1990).

Being able to identify how the behaviour of consumers is affected by their religion is critical to the success of marketers, especially for those who operate in multi-religious countries such as Ethiopia. Perhaps the major challenge for them is to understand the differences and similarities that characterize consumers' behaviour across different religious groups. Though marketers can use a standardized approach by focusing on common basic needs for all consumers, they seem to underestimate the profound influence of religious differences among consumers on their choice and shopping behaviours.

Keeping other factors constant, religion plays significant role in mediating the relationship between the marketing strategies and consumer behaviour as consumers are increasingly choosing brands which belonged to their religion, specifically highly affiliated towards the product supplied by the firms in same religious sect (Forghani, 2019). Firms often use marketing strategies to build trust and acknowledge subculture, value, or practice equitable policies which must be communicated effectively to that specific group but, mostly in a cryptic manner. When marketing to a specific religion, however, organisations run the risk of alienating, and possibly losing the wider dominant consumers results in stigmatising or boycotting the brand (Choi, 2013). Consumers may be wary about brand affiliation or association with these groups due to the fear of being perceived negatively or discriminated against in a given society. Ethiopian bottled water industry is not far from this truth for the fact that some brands of bottled water are speculated to have been designed to represent or symbolize specific religion.

In particular to this study's subject, according to informal interviews conducted with the marketing and sales staff of Mogle bottled water plc, ONE-Water brand is cryptic to represent "One Allah". Most of the promotional mix activities focus on Islam oriented events such Ramadan, Arafa, Mawlid. Etc. Respondents also report that the company prefers distributors from same religious sect and have been trying to create a unique brand identity with Islamic orientation. As such, the advantages of this approach are difficult to gain if consumers with different cultural backgrounds are not largely compelled by standardized marketing efforts because of their religious diversity and affiliate tendency.

Therefore, in order for marketers to develop effective marketing strategies for a specific religion, an intimate understanding yet comprehensive knowledge of how shopping behaviour of consumers is constantly affected by their religion is apparently warranted. Over the next 50 years, Islam will grow more rapidly than any other dominant faith. If current trends persist, by 2050, there will be nearly as many Muslims as Christians in the world (Asri, 2019). This rapid increase of the global Muslim population indicates an opportunity for researchers to investigate more about Islam and Muslim consumers' behaviour in various contexts. Investigation of religious affiliation in Ethiopian context may add value to the academic literature on consumer behaviour.

None the less, One Water brand does not seem to be concerned about the mediating role of religion on enhancing brand equity through different marketing mix strategy. Such strategic move will have both merits and demerits. The merit involves attracting and retaining the Muslim society that accounts for nearly half of the total population with relatively better economic power (Mundi data, 2020). Whereas, the demerit of such cryptic marketing might be the possibility of alienation by followers of other religions, potentially bringing the whole brand image as well as the company to their demise. Thus, the necessity of understanding the role of religion on the relation between the marketing mix and brand equity in the course of attaining loyal customers is undeniable.

Accordingly, the aim of this study is to investigate the effect of marketing mix practices on brand equity mediated by religion taking ONE-Water brand of Mogle bottled water manufacturing plc. in Addis Ababa. This study aims at increasing the understanding of the relationship between religion, marketing mix practices and building brand equity by means of an empirical investigation of the responses of followers of Muslim religion in a given hypothetical situation. The findings lend partial support to the hypothesis that people affiliated with a religion have different consumer

behaviours. Followers of a religion in a particular geographic area, however, may or may not have different behaviour, depending on whether they have maintained the principal beliefs and practices of their religions.

1.3. Research Questions

The main research question is how does marketing mix affect the brand equity of one water in Ethiopia?

Sub-research Questions include:

1. To what extent does product quality influence the brand equity of One water in Ethiopia?
2. How does pricing affect the brand equity of One water in Ethiopia?
3. Does distribution affect the brand equity of One water in Ethiopia?
4. What is the effect of promotion on the brand equity of One water in Ethiopia?
5. What is the effect of marketing mix on religion?
6. Does the relationship between marketing mix and brand equity of One water mediated by religion?

1.4. Objectives of the Study

1.4.1. General Objective

The main objective of the study is to examine the effect of marketing mix practice on brand Equity of One Water brand mediated by religion in the case of One Water brand supplied by Mogle bottled water manufacturing plc in Addis Ababa.

1.4.2. Specific Objectives

- i. To examine the effect of product quality on the brand equity of one water in Ethiopia.
- ii. To analyze the effect of pricing on the brand equity of one water in Ethiopia.
- iii. To determine the effect of distribution on the brand equity of one water in Ethiopia.
- iv. To examine the effect of promotion on the brand equity of one water in Ethiopia.
- v. To analyze the effect of marketing mix on religion of one water in Ethiopia.

- vi. To analyze the relationship between marketing mix and brand equity of One Water mediated by religion.

1.5. Significance of the Study

Undertaking this kind of study is vital for different beneficiaries as it may have significance for ONE brand bottled water managers to improve or maximize their sales performance without alienating other consumers within a dominant culture society. This study can contribute to the body of knowledge with current information on the effect of marketing mix on customers brand preference. It may also serve as a reference for individuals or entities undertaking research regarding similar topics or related fields.

1.6. Scope of the Study

The study was delimited to identify the effect of marketing mix elements on consumer-based brand equity mediated by religion in the case of Mogle bottled water manufacturing company. The company has customers across the country but reaching those who are out of Addis Ababa is difficult within the allotted time of this study. Due to this reason the study is geographically limited on the customers located in Addis Ababa only. Conceptually, this investigation is limited to study the four marketing mix elements namely price, promotion, place and product to evaluate their effects on customer-based brand equity and the mediating role of religion. This study will not include other factors which may have an effect on customer-based brand equity. And finally, it is methodologically limited to Muslim consumers who consume One-Water brand bottled water in selected retail shops because it was hard to define or identify bottled water consumers of a specific brand at their home, hotel, bar & restaurant and Groceries.

1.7. Limitations of the Study

Limiting the researcher only on the retailing shops because managers of Mogle Plc. Were reluctant to disclose the information of their customers and marketing strategies as they consider it is company marketing secret. This study was conducted from the perspective of individual consumers of One Water bottled water only. However, it didn't explore the perspective of the company i.e. One Water managements and employees. Therefore, for future it is recommendable that a similar study will be undertaken using the perspective of Mogle PLC managements and employees.

This study was limited only to Muslim customers' understanding and perception towards One Water brand. Therefore, the researcher suggested that similar study can be further extended to other religions of bottled water consumers. The research didn't include consumers who purchase and consume One-Water brand bottled water in their homes, hotels, bars, and restaurants. This intentional exclusion might affect the overall picture and generalizability of the findings as well. Thus, the future researcher should consider other consumers perspectives.

1.8. Definitions of Key Words

Religion - Religiosity is the degree to which individuals are committed to a particular religious group. (Delener, 1990, pp. 127),

Brand Equity- Brand equity is considered as the power of the brand that is built in the minds of the consumers on the basis of what they learnt and heard about the brand (Keller, 1998, pp. 106).

Price - defined as the amount of money charged for a product or services (Kotler, 2001).

Distribution - defined as involves the distribution channel, distribution coverage, outlet locations, inventory levels and location (Kotler, 2012, pp. 144).

Promotion - mean all of the tools available to the marketer to transform their message about the product strategy to the target market (Al-Dmour, 2013, pp. 85).

Product - Product refers to the item or tangible good that actually being sold. The product must deliver a minimum level of performance. (Kotler, 2012, pp. 57)

1.9. Organization of the Study

The thesis is organized into five chapters which are sub-divided into small sections. The first chapter discusses the introduction, background of the study, statement of the problem, research question, objectives, and significance of the study, scope, and limitation of the study. The second chapter presents the theoretical backgrounds, empirical analysis and conceptual frame work of the study. The third chapter presents the study design and methods used in the study. This chapter encompasses discussion on type and source of data, sampling design, data collection instruments and procedure and data analysis methods. And the fourth chapter analyzes the data collected through questioners and presents the findings. The final chapter (fifth chapter) consists of the summary of findings, conclusion and recommendation.

CHAPTER TWO

2. REVIEW OF THE RELATED LITERATURE

This chapter presented theoretical, empirical and conceptual framework along with proposed hypotheses of the study. The theoretical framework that is reviewed from the literature comprised of marketing mix elements, brand equity and their relationship. The empirical review along with formulated hypotheses gives the shortest summary of some of relevant studies while the conceptual framework clearly depicts what to be done in this research, are clearly discussed and presented.

2.1. Theoretical Literature

Brand is a complex social phenomenon where various shareholders have a role and task in generating brand value (MacKinnon & Fairchild, 2009). A brand denotes the product source, gives responsibility to product and service creators, supply promise, decreases search risk and costs of customers (Lovelock, 2008) and signalling products' quality; Malhotra, 2008). The concept of brand equity has been broadly discussed in the marketing literature. The brand equity has become an important key to considerate the mechanisms, objectives and net effect of the holistic effect of marketing (Reynolds & Phillips, 2005).

A number of related researches stem from a marketing science institute conference on the issue, the important of them such as Aaker (1991), Aaker and Keller (1990), They have spelled widely regarding the concept of brand equity and concerning how to create, manage, and develop it. At the same time, advertising and market researchers have emphasized the significance of brand equity, making the situation of brand equity and consulting methods have been set up to assess brand equity (Amini, 2010)

Additionally, Davis (2000) and Ambler (2003) believe that brand equity is a key marketing asset, which can produce a welcome and unique relationship differentiating the linkages between the developments long-term consumer behaviour, company image and its shareholders. Understanding the constructs of brand equity, subsequently investing to cultivate this intangible asset increases barriers of competition and raises brand wealth (Yoo, 2000). For companies, growing brand equity is a major objective accomplished through achievement more favourable feelings and associations among target customers. Moreover, it is not surprising that measure capturing characteristics of

brand equity have become one of the important parts of marketing performance indicators (Amini, 2010)

Regarding the capturing brand equity characteristics, the meaning and content of BE have been argued in a number of various ways and for several different intentions, but as yet no common point of view has emerged (Keller, 2003). It can be debated from the viewpoint of the consumer, retailer and manufacturer. While retailers and manufacturers are more sympathetic in the strategic applications of BE, investors are interested for a financially defined notion.

In addition, Atilgan (2005) as proponents of the financial perspective have defined brand equity as the total value of a brand that is a divisible asset - when it is sold or included in a balance sheet. And also, Simon & Sullivan (1993) considered brand equity as the incremental cash flow that increases branded products comparing with unbranded products. These researches just consider the financial aspects of brand equity not strategic applications approaches.

On the other side, strategic applications perspective focuses on guiding marketing decisions and functional strategic purpose of brand equity. It is more important for suppliers and customers to completely understand the source of brand equity. How sources affect interest outcomes such as customer acquisition and retention. How the sources change continually. How they impact on suppliers' brand equity in oil industry. In addition, knowing the source and outcomes of brand equity presents a common denominator for estimating and assessing of brand value, as well interpreting strategies of marketing. This perspective of brand equity helps marketing managers to understand exactly where brand equity creates and add value for many of supplier firms in industries (Simon & Sullivan, 1993).

2.1.1. Branding

Branding enables products to differentiate themselves from other competitive products, even though there is no tangible difference between the products. That is why customers can't often distinguish between products from each other on blind testing as mentioned earlier (Vakratsas & Ambler, 1999). Brands are important assets to firms as they serve as makers for what the company has to offer to its customers; it also signifies the experience that a customer will have when purchasing the product. Brand therefore, should be given a considerable amount of attention. If it is not carried out properly, it will have an immense effect on the reputation of the company and so much more. Brands provide products with value beyond just their functional benefits.

Brands provide a company with possibilities to differentiate from its competition and enhance positioning possibilities. With the right positioning, companies can establish certain brand associations and knowledge structures in the minds of consumers the success in securing a large market therefore all lies on the consumer's perception of brands and how companies can build brand equity based on the customers' perception (Aaker & Keller, 1990)

Every brand differs in names or symbols like logo, trade mark, design and packing. The products are recognized through these elements and thus make it possible to differentiate one product from the other. A brand is a signal to protect the customer from similar brand names and protect the producer from the competitors (Aker, 1991). "A brand is a name, term, sign, symbol or design or combination of them, intended to identify the goods and service of one seller or group of sellers and to differentiate them from those of competition" (Kevin, 2003).

Brand is a combination of name, symbol and design. Brands represent the customer's perceptions and opinion about performance of the product (Lepla, 2003). The powerful brand is which resides in the mind of the consumer. Brands differ in the amount of power and worth they have in the market place. Some brands are usually unknown to the customers in the marketplace while on the other hand some brands show very high degree of awareness (Blackett, 2004). It has been noted (Aker, 1991) that brands with high awareness have a high level of acceptability and customers do not refuse to buy such brands as they enjoy the brand performance. Some brands commend high level of brand loyalty.

According to (Aaker, 1996) brand present many things about a product and give numbers of information about it to the customers and also tell the customer or potential buyer what the product means to them. Furthermore Christopher (1996) has argued that brand represents the customers' convenient summary like their feelings, knowledge and experiences with the brand. More over customer do not spend much time to do find out about the product. When customer considers about the purchase, they evaluate the product immediately by reconstructed product from memory and cued by the brand name (Kolter, 2009).

2.1.1.1. Brand Equity

Brand equity can be regarded as a managerial concept, as a financial intangible asset, as a relationship concept or as a customer-based concept from the perspective of the individual consumer (Tuominen, 1999). In marketing literature, brand equity is being operational in two

manners: those who have considered consumer's perceptions such attitude on brand, brand awareness, brand association, and conceived quality; and those who have addressed consumer's behaviours such as loyalty to brand, extra payment, etc. Both methods calculate brand equity via consumer's perspective.

Equity exists when the customers are aware of the brand, loyal to the brand and perceive the brand as having quality. Awareness, loyalty, and quality perception are three main components of a successful brand (Seetharaman, 2001). Aaker (1996) expresses that there are three dimensions of brand equity included brand awareness with associations (brand awareness and brand association), perceived quality, and brand loyalty.

Brand equity makes value for both customer and firm. Brand equity creates value for customer by increasing process of efficiency information, making sure in decision-making, reinforcing purchase, and contributing to self-respect and trust. In addition, for a firm, brand equity creates loyalty to brand, improvement of benefit margin, obtaining influence lever between retailers, and accessing to difference competitive advantage in rivalry field (Amini, 2010). According to Yoo (2000), the overall value of brand equity is adopted as a proxy of market performance. In an overall view, brand equity is defined in terms of the marketing effects uniquely attributable to the brand. That is, Brand equity relates to the fact that different outcomes result from the marketing of a product or service because of its brand element, as compared to outcomes if that same product or service did not have that brand identification (Tuominen, 1999).

One reason for studying brand equity arises from a strategy- oriented incentive in order to provide marketing productivity. Having more values, larger rivalry, and immense demand in most markets, has been able to increase efficiency of marketing expenses. Therefore, marketers need to take consumers behaviours as a base for making better strategy decision about target market and positioning. In order to obtain productivity in marketing, perhaps one of the most precious assets of one corporation is knowledge and awareness of brand that was made in consumer mind about investiture in corporation obvious marketing plans (Amini, 2010).

2.1.1.2. Customer-based Brand Equity (CBBE)

The lack of an approved definition of brand Equity (BE) has in turn produced various methodologies to measure the construct. Even though there is no generally accepted definition of BE, there is some consensus in that BE indicate the added value endowed by the brand for a

product. Brand equity is based on the product position of the brand. A consumer who believes that a brand delivers superior performance is excited to use and is likely to be willing to pay a premium for the brand, to go to extra trouble to locate and buy it, to recommend it to others, to forgive a mistake or product flaw, or to otherwise engage in behaviours that benefit the firm that markets the brand. Thus, one source of economic value from a positive brand image results from consumers' behaviours toward existing items with that brand name (Hawkins, 2012).

Feldwick (1996) about understanding and interpretation of brand equity, recognized three various methods in which the phrase of brand equity has been utilized: 1) to indicate the total brand value as a distinct asset when it is sold or comprised on balance sheet; 2) as a scale of the power of consumers attachment to the brand; 3) as a description of the belief and associations the consumers have regarding the brand. The first method of the term is related to firm-based perspectives of brand equity and the other two is associated with customer-based perspective of brand equity. Therefore, CBBE is enhanced by generating the favourable responses of consumers to promotion activities, pricing, advertising and distribution of brand. Indeed, this conceptualization shows the CBBE is a consumer oriented model. The CBBE conceptualization is a key component of the suggested framework in this document (Christodoulides & De Chernatony, 2010; Fairchild, 2009).

Additionally, the development of CBBE model was determined by three objectives: First, the model required state-of-the art thinking regarding branding from both industry and academic approaches as well as the model inherent have logical, grounded and well-integrated. Second, the model should be applicable and multipurpose to all possible types of brands and industry locations. As more various branding applications continued for companies, people, places, products, services, and so forth. Third, the model has to be comprehensive with sufficient scope to cover vital branding topics as well adequate depth to present valuable guidelines and insights (Keller, 2003). Hence, the CBBE model needs to support marketers and top managers set strategic path and update their related decisions of brand (Keller, 2001).

According to the backgrounds of the conceptual research on CBBE, the study by Christodoulides & DeChernatony (2010), this study focuses on Aaker's framework as mediating dimensions and to introduce two independent variables. Aaker researches are conventional scheme of CBBE as logical, grounded, and well-integrated perspectives in order to introduce the variables and being complementary instead of competing, term in marketing literature. In addition, these schemes

create state-of-art thinking about branding from both academic and industry perspectives and provide sufficient scope to cover vital branding topics as well adequate depth to present valuable guidelines and insights. Moreover, these schemes are multipurpose and applicable to all categories of brands and industry sites (Aaker, 1991, 1996).

Table 2.1 Conceptual Research on CBBE

| Author(s) | Year | Dimensions of CBBE |
|-----------------------|------------|-----------------------------|
| Aaker | 1991, 1996 | Brand Loyalty |
| | | Brand Awareness |
| | | Perceived Quality |
| | | Brand Association |
| Blackstone | 1992 | Brand Relationship |
| | | Trust |
| | | Customer Satisfaction |
| Keller | 1993 | Brand Knowledge |
| | | Brand Awareness |
| | | Brand Association |
| Sharp | 1995 | Company Awareness |
| | | Brand Image |
| | | Relationship with customers |
| Berry | 2000 | Brand Meaning |
| | | Brand Awareness |
| Burman and Colleagues | 2009 | Brand benefit clarity |
| | | Perceived brand quality |
| | | Brand benefit uniqueness |
| | | Brand Sympathy |
| | | Brand thrust |

Furthermore, another set of reasons for utilizing of the conventional plan is one, the CBBE schemes are strategic application perspectives that focus on marketing decisions and functional strategic purpose of brand equity. It can be important for suppliers and customers to completely understand the dimensions of brand equity and industrial marketing. Two, they are interdisciplinary and multilevel approaches which represent frame for fully understanding of company's selection between customer relationships factors, brand loyalty, and other related constructs. Three, CBBE plans provides a yardstick, measure and create a manifest for marketing study initiatives to next steps such as tracking mode of brand to identify opportunities, planning strategic actions, and implementation these actions. Four, the CBBE perspectives quantify the sources and outcomes of

brand equity to cover widely range of both qualitative and quantitative measures in both academic and industry fields (Christodoulides & De Chernatony, 2010).

According to Yoo and Conthu (2001), they believe that the indirect approaches to CBBE have fewest weaknesses and most strength. The limitation of the study by Christodoulides and De Chernatonyis necessitate more scales development to let practitioners and researchers to reach closer to a generally accepted measure of CBBE. The strength of CBBE includes: one, these approaches are ethic approaches to scales development that refer to the simultaneous usage of samples concerning multiple cultures and thus the scales are culturally valid (Gholami, 2011b; Washburn & Plank, 2002). Two, scales are applicable to different product groups without requiring additional adjustments like case of Vazquez, Del Rio and Iglesias (2002). Three, the tools are easy to brand managers to evaluate their brand equity. Four, measurement of BE is suitable for individual consumer level. And five, the authors approved a rigorous multi-stage validation process. As a result, indirect approaches compared to direct approaches to consumer-based brand equity measurement accept more holistic approach of the brand and look for to measure BE either by its manifest constructs or by an outcome indicators or dimensions like price premium. Thus, this study introduces the Aaker's model and exploits it.

2.1.2. Aaker's CBBE Model

The Customer-Based Brand Equity (CBBE) Model of Aaker (1991) is well-known and as a pioneer model in the brand world it covers five dimensions: brand awareness, brand associations, brand loyalty, perceived quality as goods-centric constructs and other proprietary assets such as patent, trademarks, and channel relationships as service-based concepts. Moreover, the four attributes of brand equity signify consumer reactions and insights to the brand (Yergin, 2008).

Park (2009) believes that these brand assets help customer to understand, interpret, process, and collect information pertaining brand and products by adding or subtracting its values. These five groups are considered the focal bases for measurement of brand equity from a consumer-oriented perspective. The Aaker's perspective is valuable for overall perception of brand equity formation. The strong point of this scheme lies on combination of both consumer-based constructs behavioural and perception. The key weakness of this model is inadequacy of indications of bonds among dimensions and their individual scores in the overall BE that it is related to its superficiality (Johnson, Gustafsson, Andreassen, Lervik, & Cha, 2001).

Additionally, Aaker (1996) highlighted the firm-based brand equity can be value added by the CBBE which this aspect of model is related the brand value to the firm. Indeed, high brand equity allows the products and brands with differentiating products or brands. Therefore, brand owners are able to promote brand equity of customer as well charging a price premium. As a result, from Aaker's standpoint, brand equity is customer-based instead of financial-based. Thus, CBBE would be more vital for services and manufacturing industries such as oil companies and related suppliers rather than financial based brand equity (Aaker, 1996).

Aaker argues that brand equity should be measured from the perspective of the consumer. The stronger the brand awareness, brand loyalty, and brand association the higher the financial value will be. In other word, the value of the brand equity dimensions (i.e., especially brand awareness, brand loyalty, brand association and perceived quality) are the base on which the financial value of the firm will depend. The CBBE model of Aaker, often called the "five asset Brand Equity model" one of the most accepted models used to build, maintain, sustain, and measure brand equity over time.

Brand Loyalty – Brand Loyalty will help firms by reducing marketing costs. Costs such as, promotional and distribution costs (trade leverage). In other words, loyal customer base will enhance to attract new customers by minimizing perceived risk of the new comers.

Brand Awareness - Brand awareness can be an anchor to which other associations can be attached, familiarity or liking about the brand could be developed, and it may signal substance or commitment of the company/brand and help consumers to consider the brand in the purchase category.

Perceived Quality - Perceived quality is difficult to measure in service business than merchandise may offer a number of benefits for the company. Because consumers took quality as a justification of their buying, a base to conquer consumer mind as the tip of hand brand awareness, enable the company to extend its brands since consumers faith on the quality of the earlier products will be projected and still enable both the manufacturer or service provider to command premium prices.

Brand Association - Brand association also offer similar benefit with perceived quality. Some authors use brand awareness and brand image interchangeably. It creates positive attitude and feelings, and help consumers to acquire, and process huge data of information about hundreds and thousands of different brand communication messages

2.1.3. Marketing Mix

According to Singh (2012), marketing is a complex range of marketing mix solution variables used in the company seeking to sell their goods and services. It means the product, distribution, promotion and pricing strategies to produce and carry out exchanges and achieve the target markets.

According to McCarthy (1964) offered the “marketing mix”, often referred to as the “4Ps”, as a means of translating marketing planning into practice. Marketing mix is not a scientific theory, but merely a conceptual framework that identifies the principal decision-making managers make in configuring their offerings to suit consumers’ needs. The tools can be used to develop both long-term strategies and short-term tactical programs. Riaz (2011) also define marketing mix as set of controllable marketing tools that a company uses to create a desired response in the targeted market. Set of these tools is generally referred to as 4P’s of Marketing, being Product, Price, Promotion and Place.

Singh (2012) also defined marketing mix as the combination of different marketing decision variables being used by the firm to market its goods and services. After identifying the market and gathering the basic information about it, the next step is the direction of market programming, is to decide upon the instruments and the strategy to meet the needs of the customers and the challenge of the competitors. It offers an optimum combination of all marketing ingredients so that companies can realize goals for example profit, sales volume, market share, return on investment etc. The marketing mix is grouped under four elements i.e., Product, Price, Place, Promotion.

Combining a number or all of these elements will be more effective than depending on one (Kotler, 2012). The marketing mix is considered the center of a marketing strategy. Elements of the mix must be compatible and be applicable to the target market.

These main marketing mix elements that work in isolation are supplemented by scientific literature and some authors with these additional elements: people, process, and physical evidence. In scientific literature this addition to the complex is called 7P marketing complex. The planning of marketing activities can be used in all the marketing mix elements.

2.1.3.1. Product

Product is defined as a physical product or service to the consumer for which he is willing to pay. It includes half of the material goods, such as furniture, clothing and grocery items and intangible products, such as services, which users buy (Singh, 2012).

Product is either a tangible good or an intangible service. It is what businesses offer to their prospective customers. Products consist of the core product and the added supplements that reinforce its value (Zikmund, 2001). A product can be a Therefore, based on the above figure; the product concept is very broad and includes not only natural products and services, but also the experience, people, places, property rights, businesses or organizations, information and ideas.

On the other hand, in order to further expand the product awareness, Thrush (2011) proposes to assess these three points of view: customer Satisfaction method, the materiality of importance in terms of the process and outcome perspective. Thus, the real benefits - the main reason why a consumer buys a product, which shows the basic benefits of the product to the consumer. The main product - this is the minimum characteristics of the product, which requires that the user can receive substantial benefits. The expected product includes the following features of the product, which the user expects to get out of it, and this covers the user's expectations. A supplemented by product - this is a product that surpasses the expectations of the average user, and can be supplemented with new properties or the improved existing ones. It depends on many factors: the chosen marketing strategy targeted segment features competing product characteristics, product technical feasibility, the available amounts of resources, etc. The potential of the product can transcend not only the smallest but also the largest expectations of a contemporary user and have properties, which may surprise the user (Thrush, 2011).

Uzniene (2011) classified consumer product which includes (toothpaste, bread, newspapers, clothes, household appliances, etc. The product they purchase for their personal use and these products are still divided into minimum, valuable, exclusive and unmarketable (not intended to search): necessary product which is a product that the consumer buys frequently and almost immediately without comparing it to other products of the same type; valuable product which is more consumer-oriented product, which the consumer usually compares to others, considers its suitability, the quality, price and style; exclusive product which is consumer product that has unique characteristics or is distinguished by its brand, which is bought by a large group of customers; and lastly

transgressed (not intended to search) product (blood donation, life insurance) consumer is a product which a user does not know, and if he knows he has no intention to buy it.

Meanwhile, the product range covers all goods family, class types, brands and units, which the seller offers to the buyer. The range is the company's goods group/whole offered to the consumer, which are similar not only in their features, but are also grouped according to certain characteristics, and focused on the users' needs (Kotler, 2012). Where the range width of products offered number of groups, and shows the depth of one product group in the number of goods. The range can be characterized on the basis of not only the depth (deep range), width, but also alignment and saturation.

Product quality is an important determinant for the customers for choosing a brand that helps in the development of brand reputation. Quality belongs to the product perspective of a brand's identity whereas perceived quality is how a brand's quality is seen by the consumers. A higher price is a sign of high quality to the consumers. Perceived quality is a source of consumer satisfaction it makes them to repurchase the product, which leads to loyalty (Uggla, 2001). Product quality allows a firm put itself distinctively in the market and charge higher price to consumer. High price for branded products is justified by consumer quality assumptions that come with the brand name. In addition, it gives a competitive advantage with leads to gain in profit margin and market share. Branded products are further expected to show evidence of higher quality compared to non-branded products, and premium brands should display even greater levels of quality (Woodside, 2009). It is because branded products represent a set of promises to consumer (Keller, 1993)

Product quality affects purchase because perceived quality creates personal shopping value and encourages a regular purchase of the brand (Snoj, 2004). Higher product qualities not only enhance utilitarian value but also reward the consumer emotionally by providing more gratifying experience (Babin, 2004).

To sum up, the product concept is very broad and includes not only natural products and services, but also the experience, people, places, property rights, businesses or organizations, information and ideas. Perception through the user needs of the method includes 5 product levels: the real benefits, the main product, expected product, added to the product, the potential of the product. Furthermore, the products are classified according to the objects of consumption products, which is still divided into minimum, valuable, exclusive and unmarketable (not intended to search), reward for those

willing to pay for it. Dang (2015) emphasizes that the product is the first and one of the key marketing elements. Author cit. Kotler and Armstrong emphasizes that the product: "is what can be offered to the market, to get attention, to be the acquisition of used or used, and can satisfy the wants or needs." In fact, it was observed that in most cases the literature is dominated by a narrow "product" concept of perception, so in order to better understand the nature of the product.

2.1.3.2. Pricing

Price is one of the most important marketing mix items and many scientists consider the price as one of the most important elements of the market, which increases not only profits, but also market share. However, the price is not only one of the key factors in a competitive situation, which directly affects the company's sales and profitability indicators, but also one of the most flexible marketing mix elements, which can quickly adapt to environmental changes. Therefore, it is the price that perceived as the only element of the marketing mix, generating revenue and the most important customer satisfaction and loyalty factor (Owomoyela, 2013).

Price is a quality index and products must be analyzed in terms of the advantages they offer (Khazaei, 2011). In consumable markets, price is an external indication of product quality and high-price brands are considered as high-quality brands (Kim & Hyun, 2011). On the other hand, since the quality of a product is a norm and can be easily proved, higher price may have negative effect on brand loyalty; because it may lack the indication of higher quality and it just highlights the more money that must be paid (Cretu & Brodie, 2007).

In determining the price of a product, a company or marketing manager needs to consider not only the costs it takes to produce the item, but also the customer's perception on the value of the product (Hanna and Dodge, 1995). In economics, Adam Smith gives the notion of price as "value in exchange". Moreover, price is determined by the intersection of supply and demand in the market, or the so-called market mechanism (Stiglitz & Walsh, 2006), While from a marketing perspective price is defined as, "The amount of money charged for a product or service, or the sum of the values that consumers exchange for the benefits of having or using the product or service" (Kotler and Armstrong, 2004).

With respect to prices, as one of the marketing mix elements observed in the scientific literature, there are different rates of conceptions and interpretations of the definition, for example: Kotler and Armstrong, the price is defined as the amount of money to pay for a product or service, or the value

of the exchange help customers receive a product or service for a certain amount. Thus, the direct cost of the period is the amount of money the buyer has to pay for the product that is likely to buy it.

The price is the amount that the consumer must pay, that would involve exchanges, so the price of the product depends on the different elements of change. The price is the only marketing element, on which income and all other elements are related to the cost. Thus, price is one of the factors affecting the consumer, because it helps him to understand the value of the product. Also, the price can be specified as an actual or valuable, giving value, and the price of companies to identify their products or services in the role as the regulation of its marketability (Owomoyela, 2013).

Consumers perceive that a higher price can be attributed to the higher cost of quality control. Some consumers are highly price sensitive (elastic demand), whereby a high price may shift consumers to competitive brands (Mowen & Minor, 1998). Therefore, price can have a positive or negative influence on customers. Price influences the brand choice in two ways: (1) Seek the lowest price to avoid financial risk or (2) Seeks the higher price to gain product quality (Macdonald & Sharp, 2000). For some consumers, the price is vital particularly when they are purchasing everyday products. Some consumer may choose a brand just because it has the lowest price, while other consumers may choose a brand just because it has the highest perceived price inferring that it is of high quality. Consumers are willing to pay higher prices for brands that they perceive to have high value (Erdem & Swait, 1998) as the brand reflects the product/service quality.

As a result, it could be concluded that the price of the brand represents a source of information about the product/service; hence, it affects and simplifies the consumer's brand selection process (Teas & Grapentine, 1996) According to Jean, (2004) if the price is too high, and the market is competitive, sales may be correspondingly reduced. Indeed, many economists would see price as the main determinants of sales volume. "On the other hand, many of the most sophisticated marketers have found ways to reduce the impact of price (Kurtz, 2007).

Singh (2016) highlights that a very important factor in determining prices is influenced by the cost of the product, marketing strategy and costs associated with the distribution, advertising costs or price changes in the nature of the market. Pricing is dependent on volume of marketed production, so there is always an inverse relationship: the higher the price, the sales decline.

In conclusion, it can be said that the price is one of the factors affecting the consumer, because it helps him to understand the value of the product. Therefore, the cost should include the following in terms of money that will give value for the consumer willing to pay. Price is the only element of the marketing for the income and all other elements are related to the cost. Its level depends on the volume of marketed production, so there is always an inverse relationship: the higher the price, the sales decline.

2.1.3.3. Distribution

Another very important element of marketing is a place that is also called the distribution, which is defined as the process and methods by which products or services reach customers (Martin, 2014). It is one of the four marketing mix elements. It can be described as a set of interdependent organizations involved in the process of making a product or service available for consumption (Anderson, 2004:7). As Engle (2009), states that the marketer must choose distributors that reach its customers most effectively and other intermediaries that add value to the distributive process. Consistency of supply and availability at convenient locations are vital for brand reputation. Any disagreement between marketing channel members on goals and roles may create channel conflict which eventually could hamper overall reputation of the specific brand (Kotler, 2012).

According to Kibera & Waruingi (1988) determining the intensity of the distribution i.e., how wholesalers may and how any retailers will be recruited, is key with the options of intensive, selective and exclusive distributions being available. Managing the whole system (i.e., the supply chain) according to the attractor pattern can enable efficiencies to be achieved. If each element of the chain tries to optimize its own performance, there is a likelihood that minor ordering differences or disturbances can be amplified up the chain, resulting in large, unpredictable disturbances at, for example, the manufacturer level (Forrester, 1996).

2.1.3.4. Promotion

The last 4P marketing complex element of the promotion, which helps to increase consumer awareness in terms of their products, leads to higher sales and helps to build brand loyalty. Thus, the promotion of the marketing mix is a tool that helps disseminate information, encourage the purchase and affects the purchase decision process. Promotion is the means marketers use to talk and communicate with current and potential customers. Promotion may inform a customer about the

company, a certain product or about some other marketing mix element such as low pricing during summer sales.

Different forms of promotion include personal selling, advertising, publicity or public relations and sales promotion. Each of those forms has distinctive benefits but they are all means of communication used to inform, persuade and remind. The means of communication a company chooses to emphasize depend on the objectives the company has set for itself (Zikmund, 2001).

Sponsorship is the most important consumer sales promotion tool that includes discounts and promotions, as well as coupons, samples, refunds, bonuses, awards, contests and product demonstrations, and to say what motivates consumers to buy. However, in order to understand what is the promotion is, it is necessary to consider the complex elements provided in the scientific literature, such as advertising, sales promotion, personal selling, public relations and direct marketing.

Advertisement is derived from the French Reclams and has two lexical meanings. The first one is the dissemination of information about goods (books, sanatoriums, excursions and so on.). And the second one, is it is an advertisement, poster, display, message through radio, television and so on. Advertising is by far the most widely used marketing tool, the core of which consists of a pragmatic valuable social information associated with the advertising image and is focused on the direct compelling or fascinating hidden, but a pragmatic directional communication with the audience. Advertising is any form of information and the promotion of a set of ideas that helps to inform customers about new products and helps to reduce barriers between customers and organizations (Rahnama, 2013).

Sales promotion is attributed to the actions and decisions which provide specific short-term measures, but to encourage the purchase, use, as well as by facilitating the purchase of goods and can be directed to the end user or intermediary. This promotional tool used by a consumer or buyer provocation - to buy more and faster. Inducements include coupons, prizes, free samples, discounts, promotional items, etc. Thus, sales practices may be directed to: User (samples, coupons, bonuses, prizes, guarantees); Traders (including price reductions, promotional allowances and free products); Corporate sales personnel (sales exhibitions, sales representatives' contests and special promotion)

Matola (2009) argues that, despite the measures to promote diversity, they can be grouped as; organization of competitions between the dealers and the buyers, the awarding of prizes; product

demonstration shelves; sending the samples free of charge; coupons guaranteeing price discount for buying a product, use; gifts buy other goods in the same company; discounts to wholesalers; and selling price reduction.

Sales incentives in store include: visual (score board in the store or screens are used not only as an advertising display product, but lotteries, contests the place and also - product layouts, boxes lotteries and the like.); product presentations and demonstrations - is a new delivery of goods in the store, where customers not only discover but also to test the goods; games and sweepstakes, coupons - which aims to attract buyers through positive emotions), and discounts and rebates (the most common promotional tool, in which users are particularly interested. Meanwhile a sales promotion measure outside the shop at the store includes distributed coupons (mailboxes, newspapers or magazines, on the streets) and loyalty schemes (buyer events, customer cards, buyer clubs, excursions, etc.).

Private sale is a personal communication to convince a potential buyer to purchase the proposed product or service. This is the most expensive form of sponsorship, because it includes a contact with one person rather than with a broad audience, but this measure generally has a decisive influence on the buyer's decision. Private sale is the interaction between the buyer and seller. The following basic types of private sales are discerned: retail sales (supermarkets, drugstores and other shops); missionary sale (doctors, dispensing medications); retail sales (end-users); business-to-business sales (production, operations); professional selling (opinion leaders, sponsors).

Public relations involve communication between the organization and the management of society and affects behaviour. Public relations (PR), it is - to support the complex element that helps to maintain good relations with the public, and the contact points of the classrooms with a positive corporate image of the company, owned by unfavourable rumours, gossip and incidents. Matola (2009) emphasizes that communication with the public is important for both internal and external communications. Internal communications, spreading further affect the company employees' opinion about their firm and production, because each worker transmits the information for many people with whom he interacts. And, external public relations, helping to shape public opinion by external means, namely: promotion (primarily various events, actions, charitable activities), relationships with influential people, relations with the press, press conferences, contacts with various organizations, fund establishment (e.g., fund children's abilities to develop).

Thus, public relations activities can help achieve the objectives related to the company's reputation and confidence in the market, but the company needs to anticipate and to choose the appropriate means of communication, namely: Promotion - is a free information about business products, services or dissemination in the media - reached a short-term effect. Promotion measures groups include: newsletters feature articles, press conferences, authoritative views of those delivery; Exhibitions and fairs. Fair - In certain locations periodically organized an event in which the participants, the various business areas of the company, offering potential users of their products or services. The exhibition is can be defined as an event which aims to show the public and specialists familiar with their business achievements and new ideas. Advertisement "word of mouth" - this is where information about the company passed through the business staff, customers and so on., Without the use of the media or other outsiders communication channels; Event Marketing - this is a purposeful and impressive product, service and / or company presentation in a particular event, corporate promotion; Indirect demonstration - is "unintentional" company goods, services Showing films, theatre and television broadcasting.

Based on Martin (2014) Direct marketing involves direct communication between the client and manufacturer. Direct marketing features include: direct communication, interactivity, traditional direct marketing, taking place in the media. Thus, in one case the user's reaction to the buying process takes place immediately (suggested liked, buy), and in another case - the registration, the product is tested, questions are asked, the communication process is completed to the acquisition of goods or services.

Despite all of these strategies for a new product to enter the market, regardless of whether the product is new at the global level or whether it is new only in a particular market segment, the main thing is that the user does not have or have very little information about the product, and probably has not heard about it (Lawrence & Lorsch, 2007). In summary it can be said that sponsorship helps to increase consumer awareness and helps build brand loyalty. Thus, the promotion of the marketing mix is a tool that helps disseminate information, encourage the purchase and has an impact on the decision to buy. Supporter complex includes five elements, namely: advertising, sales promotion, personal selling, public relations and direct marketing.

2.1.4. Religious Affiliation

The religious practices influence the imminence sited on attitudes and factual life towards possessing and consuming goods and services. Religiosity, a central point of any religion, has a close association with consumer behaviour. Thus, an exploration of religiosity allows in-depth investigation of consumer behaviour. Abundant literature is available regarding the association of religiosity and consumers' behaviour. Rakrachakarn (2013) reported the noteworthy inference that religiosity influences numerous aspects of customers' lifestyles that ultimately reshape the selection behaviour. In Vitell's (2007) evaluation of religiosity and consumer behaviour, one observation was prominent: that the number of academic studies has been inadequate in clarifying customers' norms and religious views. This was associated with the arguments of Hannah (2012) who specified that norms and capabilities of views accounted for 20% of the difference in the behaviour explained.

The construct of religiosity was tested and it discovered to have a positive association with the intentions of consumers' buying regarding organic food, which aligned with the past literature. Mathras (2013) reported that halal consciousness and product elements have considerably influenced Muslims' intention to purchase packaged food that is halal produced by Muslim or non-Muslim producers. Quantitative results confirm earlier research that in Muslim consumers, the religiosity behaves like an intervening factor within the different exogenous and endogenous variable. Therefore, religious ethics perform integral in deciding consumer behaviour. Religion guides Muslim consumers to take actions as per religious principles.

2.1.5. Religious Sensitivity

The term "sensitivity" has been defined in several ways. It is the inability to assign probabilities as to the likelihood of future events (Duncan, 2012); the lack of information about cause-effect relationships; and the inability to predict accurately what the outcome of a decision might be (Downey & Slocum, 2015). Thus, sensitivity is the individual's emotional perceived inability to predict something accurately. The individual's emotion affects sensitivity because they perceive themselves to be lacking sufficient information due to information disclosure, or because they feel unable to discriminate between relevant and irrelevant information.

In short, sensitivity is a critical concept and the concept of sensitivity is central to explaining the relationship between organizations and their environment (Milliken, 1987). For instance, the need

to answer many varied and unpredicted questions about organization operations may move a consumer to depend more heavily upon the sensitivity outcome in order to process queries against the consequences of their daily behaviour.

The elements of religious sensitivity are the boycotting of Western products and halal credence issues, which refer to an attempt by one or more parties to achieve certain objectives by urging individual consumers to refrain from making selected purchases (from one or more target organizations) in the marketplace (Friedman, 1985). In the twentieth and twenty-first centuries there have been a number of boycotts by several entities such as consumer groups, governments, and NGOs. Jackson and Schantz (1993) reported that in 1990 more than 300 market boycotts were organized and implemented, a sharp rise from previous years. This number has increased as boycott organizations become more sophisticated in implementing their protest activities.

In 2003, Asia was dealing with the after-effects of the October 2002 Bali bombings, as well as a tentative world recovery from the technology bubble and the conflict in Iraq. As a result, several companies and their products were boycotted. Among the fast-food brands that have been boycotted were American- and Israeli-made products such as McDonald's, Kentucky Fried Chicken, Pizza Hut and many more (Knudsen, 2008). Because these are large, publicly listed companies, some investment funds, ethical funds and pension funds tend to invest in these companies. These are the perceptual phenomenon that create uncertainty towards brand trust and brand equity of Western products. In 2003, when the American-led coalition forces arrived in Iraq, opposition members in the Indian parliament demanded a countrywide boycott of American businesses, such as Coca-Cola.

Other boycotts have been based on religious motivation. Boycotts of American fast-food chains in Arab countries have been launched by those who want to protest American support for Israel. Due to these calls for boycotts, Burger King was forced to withdraw its Whoppers from a food court in an Israeli settlement in the West Bank. Burger King was then denounced by pro-Israel groups in the USA. As a direct result of these calls for boycotts, the McDonald's franchise in Saudi Arabia announced that a donation of 26 cents from each burger sold would be given to Palestinian children's hospitals (Balisunset, 2009).

2.1.5.1. Religion in Marketing

Hamouri (2012) modified the conventional model to suit Muslim consumers. They consider the effect of Islamic teaching on their behaviour. According to him, Muslims will choose to consume

the most preferred item but must be permissible in Islam. Those items which are not attainable (unlawful item or haram) will not be chosen.

Findings of Esso, Dibb (2004) scrutinize the relationship between religiosity and consumer choice. The authors pursue the proposition that religion significantly influences shopping habits of consumers. The authors examine the contrasting shopping behaviour of consumers of different religious food, which is currently dominated by non-Muslim beliefs. They conclude that religious association influences consumers' behaviour after studying consumer groups Hindus, Muslims and Catholics. They also suggested its significance and religious affiliations can be included in future cross-cultural research.

Tamir (2016) states that it is always good to give consumers what they really want and it is a wrong approach that Islam as a religion does not influence the needs and wants of its followers. The Western branding and marketing managers fully understand the main markets they normally deal with, but Muslim markets have never been properly addressed either in Muslim majority or minority countries. Segmenting markets based on religion is always a tricky one, firms are satisfying appropriate and relevant consumer needs and wants by building of brands that appeal to a global religious population.

The importance of religion in marketing can be understood by live examples from the market. For example, Nestle, is now manufacturing many of its brands using Halal processes and is working with Halal accreditation agencies to fast-track growth in Islamic markets. In 2008, Nestle achieved US\$5.2 billion revenue in Halal products (Trim, 2009). Several Western fast food chains including McDonalds, KFC and Subway are opening more and more outlets that serve Halal products and makers of personal care and cosmetics products such as Unilever and L'Oreal have introduced products and campaigns to gain the loyalty of that fast-growing segment in the developing world. On the other hand, Muslims are intrinsically motivated to actively boycott brands that seem to be in violation of some of the teachings of Islamic (Rehman & Shabbir, 2010). The word actively means encouraging others to boycott as well. For example, a majority of Muslim customers who are aware of the Danish brands say that the quality and the price of these brands are competitive, if not superior. However; many Muslims stopped buying them throughout the Muslim world because they were actively branded as bad deeds, a sin; no one wants to be seen sinning! Being branded as a bad deed among Muslim consumers is a marketer's nightmare.

2.1.5.2. Islamic Branding

A brand is the image of a specific product or service, when that idea or image is marketed, it is recognizable and identified with a certain service or product it's branding. Arham (2010) argued that brand conveys unique message to its audience and consumers try to link themselves emotionally with it. Branding is not only to build brand recognition, but also to build good reputations and an expectation about the company. In the case of their prophet, his name was a guarantee for quality, honesty and integrity (Amini, 2010).

According to Faith (2009) brands that are Shariah-compliant originate from an Islamic country and targeted Muslim consumer named as Islamic brands. These brands have four types; true Islamic brands: these brands satisfy the three descriptions of IB; they are Halal, produced in an Islamic country and they target Muslim consumers. They had been named as true because they were anticipated for the Muslim consumer in the first place, Traditional Islamic brands: Brands that are originated in Islamic countries and targeting Muslims. Prior to the globalization of Islamic markets, it was taken for granted that all brands available there are Halal, inbound Islamic brands: Halal brands that target Muslim consumers but originate from non-Islamic countries (Hair and Anderson, 2007). These brands were changed in order to make them Halal and outbound Islamic brands: Halal brands that originate from Islamic countries but not target Muslim consumers.

Baig (2019) explained why Muslim world would like to develop of its own leading global brands. Firstly, Western branded products are often not Islamic Shariah complaint, it does not affect on luxury cars and fashion accessories, but does impact on hospitality, food and beverage, a pharmaceutical, cosmetics and medical products etc. Secondly, the growing educated Muslim middle class has created an impetus to developing indigenous businesses dependent that are competitive with the long established and accepted brands. Thirdly, from a national perspective, Muslim governments would like to see their local brands going global because they know how powerful brands can be in terms of economic contribution and how they shape national images. In particular, they have noticed that the cultivation of intangible assets, such as strong brands, is seen as an essential feature of mature, stable and growing national economies. Fourthly, Muslim countries want to diversify their business interests and rely less on narrow resource-based industries, such as energy. Consequently, there is now a considerable surge in demand from Islamic

countries and companies seeking to develop global brands and master the necessary branding and marketing techniques and skills so ably demonstrated by the West.

2.1.6. Marketing Mix and Brand Equity

Brand equity, yet the sources of brand equity and the effect of marketing mix elements were rarely studied or investigated. This research is exploring selective marketing mix elements such as the product quality, promotion, distribution and price as antecedents of building brand equity. There are many definitions of the terms “marketing” and “marketing mix” in the literature. Marketing is the process by which companies create value for customers and build strong customer relationships in order to capture value from customers in return (Kotler & Armstrong, 2012). Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large. Marketing is an organizational function and a set of processes for creating, communicating, and delivering value to customers, and for managing customer relationships in ways that benefit the organization and its stakeholders (Park, 1994).

The Marketing Concept is a philosophy. It makes the customer, and the satisfaction of his or her needs, the focal point of all business activities. In other words, Marketing is getting the right product or service to the right people (target market), at the right time, at the right place, at the right price, with the right communications and promotion. Yoo (2000) suggests that brand equity can be created, maintained, and expanded by reinforcing the dimensions of brand equity. They pointed out that numerous dimensions precede brand equity. For instance, any marketing action could affect brand equity since it signifies the effect of accumulated marketing investments in the brand. For example, brand-name recognition with strong associations, perceived quality of product, and brand equity can all be extended through precise long-term investment. Thus, brand equity is not managed in the short term but rather over time, by sustaining brand consistency, protecting the sources of brand equity, taking appropriate decisions about leveraging the brand, and altering the supporting marketing programs (Keller, 1998). For instance, taking marketing decisions related to the selection of a brand name could easily affect brand equity either positively or negatively, since it could enhance the reputation and image of the brand, the brand loyalty, and the perceived brand quality.

Researchers also propose that marketing decisions and market conditions influence brand equity. Simon & Sullivan (1993) list advertising expenditures, sales force, and marketing research

expenditures -along with the age of the brand, advertising share, order of entry, and product portfolio-as the foundations of brand equity. Marketing activities such as the use of public relations; warranties; slogans or jingles, symbols, and packages; company image, country of origin, and promotional events; and brand-naming strategy have also been put forward. According to Yoo (2000), “Any marketing effort will be positively related to Brand equity when it leads to a more favourable behavioural response to the focal product than to the equivalent unbranded product.” In their conceptual framework, they investigated the relationship between marketing efforts and the dimensions of brand equity.

They investigated consumer perceptions of five selected strategic marketing elements: price, store image, distribution intensity, advertising spending, and frequency of price promotions in order to reveal the relationships between marketing efforts and the formation of brand equity.

Price: Consumers use price as a significant extrinsic cue and signal of product quality or benefits. High-priced brands are often perceived to be of higher quality and lower risk compared to low priced brands. Consequently, price is positively related to perceived quality. Rao & Monroe (2004), show that a positive relationship between price and perceived quality is well founded in previous research. By increasing perceived quality, price is related positively to brand equity.

Yoo (2000) added that they did not find a directional relationship between price and brand associations; since whether the brand is low-priced or high priced it is linked to the benefit of the brand in the memory of the consumer. While a low-priced product would imply transaction utility (i.e., paying less than the consumer’s internal reference price), a high-priced product would give a high-quality image or acquisition utility, leading to reduced consumer risk (Brodsky, 2005). Both low and high-price strategies help consumers equally regarding awareness of the product.

Distribution intensity: Distribution intensity is also highly correlated with brand equity. Making a product available in more stores will increase customer satisfaction through convenience, time saving, speedy service, and service accessibility (McDowell, 2004). Distribution intensity maintains its effect on brand equity although product-type can significantly moderate the effects. Consequently, high distribution intensity may create high brand equity for all types of products, although the effect varies somewhat depending on the luxuriousness of the product.

Promotion: The hierarchy of effects model has revealed that consumers tend to believe advertising statements and foresee a product’s likely performance on the basis of the claims (Dubin, 2006).

Therefore, when consumers are frequently exposed to brand's advertising, they develop brand awareness, higher associations, and a positive perception of brand quality, which in turns lead to stronger brand equity. It was also noted that one of the major reasons for lower consumer loyalty is a decrease in advertising spending. By strengthening the consumer's brand related beliefs and attitudes, advertising leads to strong brand equity Aaker, 1996).

2.2. Empirical Review

The study of Yoo (2000) examined four dimensions of brand equity, namely; brand association, brand awareness, perceived quality, and customer loyalty. Under these different dimensions, Yoo (2000) found that brand association is significant for product or services to create strong image in the market. It is something that automatically comes in the minds of consumers when they hear or see a brand (Ahmed, 2012). Further, he argued that brand awareness is also important feature of strong brands because it tells the consumers about product or service. In other words, when consumers are thinking, imagining, consuming, or buying a product or services, they associate and consider a specific brand because of its unique features. It also reflects the brand awareness has created through using its promotional and packaging strategies (Kotler, 2012).

What people think about price is related to what they think about the products' quality (Yoo, Donthu, & Lee, 2000). Many researches argued that the higher the price, the more people think that a brand has higher quality. Thus, the more expensive the product of a brand, people will have better feelings and thoughts of a certain brand that will leads to brand image and eventually it increases brand Equity.

Similarly, to the store image, when it gets better, in this case is physical environment and merchandise quality, customer will have better thoughts and feelings toward a brand in which it increases brand image that will simultaneously increase brand equity.

Price deals are believed can encourage people to buy a product in a short time. However, according to Rajh (2005), despite of its short-term gain, price deals give negative impact towards brand image since people will perceive it as company's act to widen the profit margin by lowering the quality of a product. When customer has bad thoughts about a brand, it will decrease the brand image and will eventually reduce the brand equity itself. The impression how the consumers perceive product are significant from the marketing perspective because it will determine the future of the product or services in long term (Ahmed & Butt, 2012).

However, same author also argued that it is not necessary that consumers will be comfortable with the product all the time because some may switch the brand just for the change or to experience something new. Further, the study of Armstrong (2013) showed that promotional strategies, distribution pattern, pricing strategies, and product features may drive the consumers to buy different product than usual one.

The literature showed that being comfortable does not always mean that consumer depends upon same brand of product or services (Armstrong, 2013). Conversely, Yoo, (2000) strongly argued that consumers would only be comfortable with the products or services that appear to be reliable and dependable if originated from their country, ethnic, religion, family, etc. In other words, consumers would be loyal to certain types of products or services that are reliable and its features are dependable if they believe in secularism (Yoo, 2000).

On the other hand, the literature of brand equity in relation to marketing mix showed that different marketing strategies related to pricing, organisations and marketers to improve the probability of increasing market worth through loyalty develop placement, product development, and promotion. Loyalty regarding the product or service is only likely to happen, when the product's feature is viewed as attractive, dependable and reliable (Armstrong, 2013). Further, Ahmed & Butt (2012) argued that product feature strategies are designed to attract the consumers and for this reason, personal emotional touch is made with the product so that it satisfies and comfort the consumers. This is a marketing tactic to create brand awareness and association while keeping the loyalty as most important feature perceived by consumers.

Further, Armstrong (2013) argued that brand association is very significant because it leads to create brand equity among consumers. The author also suggested that brand associated as more reliable and dependable would keep consumers loyal because loyal consumers will not switch from their preferred brands. In addition to that, Ahmed & Butt explored the same content from marketing mixes' context. Ahmed (2012) strongly argued that, once brand has made its mark in the eyes and minds of consumers than there are no likely possibilities that consumer would switch from it unless and until there are some schemes offered by rivals like promotional strategy or pricing strategy. This means that, consumers will stay loyal to brand unless there are schemes, offers and marketing tactics from competitors.

Exploring the perceived quality (dimension) of brand equity showed that Christodoulides (2010) argued that any product or service in the market must be perceived highly in terms of quality to be a brand. Further, the study showed that, perceived quality is usually measured in terms of dependability and consistency. Any product that is found to be dependable is always seen as good quality product. In addition to that, Christodoulides (2010) also argued that consistency is a significant feature for brands because good brands would always show consistent quality. Further, he also stated that, it is not possible for the product being perceived as dependable but not consistent in terms of quality. Thus, the perceived quality must be dependable and consistent.

Kotler (2012) suggested that consumer would be encouraged to consume goods or services that contain unique features able to cater their needs and satisfy their thirst. Further, the author argued that such products or services would entertain consumers because they would be enjoying it while consuming it. On the other hand, Yoo, (2000) stated that the marketers and organisations to enhance the features of their respective products by making it more enjoyable, comfortable, reliable, and appealing use marketing mix strategies. Further, the author argued that organisation develops the positive image of a product or a service by using product strategies so that it is more appealing and preferred by consumers. In the work of Rehmani, (2012) regarding brand image, it is argued that only due to pricing strategies organisations can cater the need and increase positive image in the market. Besides, the author argued product image of can be strengthen through investment in pricing strategy.

Conversely, Ahmed (2012) counter argue this statement by presenting findings that positive image is not always result of pricing strategies but various interlinked features such as availability and feasibility of the product or service, the distinguish features and outstanding quality, and eye-catching design. In addition to that, Punyatoya (2014) argued that more than promotional strategies (traditional marketing mix strategy), brand equity is formed in modern business through innovative sales promotion techniques such as online marketing and electronic retailing.

It is argued that the intensity of marketing activities positively affecting brand awareness and brand image. Keller (2003) added that advertising gives strong, favourable, and unique brand associations and creating positive judgment to the people. The more intense the advertising and distribution, the more customer will see and hear about the product which makes the brand becomes highly

recognized that it will increase brand awareness of customer toward a brand and increase brand equity simultaneously.

Further, same author argued that, loyalty among consumers tends to increase for products or services having reliable and dependable features but some still trust products of their own origin. Brand trust corresponds between religious sensitivity and the outcome of the brand, which provides value to the customer and the firm. In other words, the trust-based commitment between customer and trust generally refers to the match or congruence between brand and its trust (Hess, 2005). If there are mismatches between the religious sensitivity that reflect customers' general belief that the brand is looking out for them, and will do whatever it takes to make them happy, and is responsive to their needs, trust will be enhanced. Commitment, therefore, is an interaction: only when both the customer uncertainties and trust are known can the trust-based commitment with customers be estimated in their relationships with brands (Hess, 2005).

Furthermore, brand impacts trust to the extent that specific relationships with brands (i.e., trust-based commitment) will conflict with the underlying religious sensitivity that not only serves rational, functional purposes but also achieves personal benefit consistency (Fournier, 1998). According to Hess (2005), the "trust-based commitment" focus has been most evident in studies on the impact of brand trust. For example, Reast (2005) reported that over a series of studies on trust, the impact of credibility, relationships customers have with a brand, brand effect and brand performance (a brand trust characteristic) depend on trust-based commitment with the brand.

There are several studies that have found that success factors include marketing mix activities, religion, and brand equity and brand equity (Wu, 2008). Even though these factors are considered by many branding researchers as critical success factors related to consumer buying behaviour, there are limited studies that focus on how these factors are impacted by religious sensitivity, which represents a significant gap in research. Hence, to address such gaps, the researcher should address each factor – namely marketing mix activities, religious sensitivity in terms of brand trust, and brand equity—as predictors to the outcome, which is of value to customers and firms, referred to be brand loyalty.

For the mediation variable, religion is the key determinant that is often being identified in creating brand equity (Lee, 2011). In this sense, with its growing purchasing power (Pew Research Centre 2011), projected population growth, practitioners and scholars have had an urge to explore Muslim

consumers and their religion's effect on their individual behaviour from all perspectives. Especially since Islam has been considered as a cognitive system which affects each layer of an individual's behaviour and their decision-making process (Delener, 2004), Within this scope, many studies have scrutinised Muslim individuals' consumption preferences, shopping behaviours, behavioural intention (loyalty), and comparing them to the consumer behaviours of other individuals with different religious affiliations (Gurhan 1997). This has led scholars to explore the religious values of consumers towards a given brand supplied by a religious sect that they are belonged to (Jafari 2013).

In general, consumers have a tendency to purchase or consume products or services originated from their country or their religious group. But the problem is how the suppliers or manufacturers promote or conduct marketing activities in regards to avoid to be boycotted by others, out of their religious sect. for instance, "Yes" brand bottled-water was allegedly boycotted by other believers as if the brand promotes protestant (Christian) religion, resulted in sharp decline of its market share. Thus, the impact of religion on the consumer behaviour is the area which requires more investigation in developing countries in particular.

2.3. Conceptual Framework and Hypothesis Formulation

Figure 2.1 exhibits the framework of this research which refers to the relationship between marketing mix and brand equity. The model proposed by Yoo (2000) is adapted to measure the effect of marketing mix elements on brand equity mediated by religion. The model is in fact an extension of Aaker (1991) model. The marketing mix predictors show how individual dimensions are related to brand equity. Marketing activities are assumed to have significant effect on the dimensions of brand equity and hence, marketing activities are added as antecedents of brand equity in the model, and religion as a mediating role on the relationship between marketing mix and brand equity. Investigating the antecedents-mediation-effect linkage is the objective of this research.

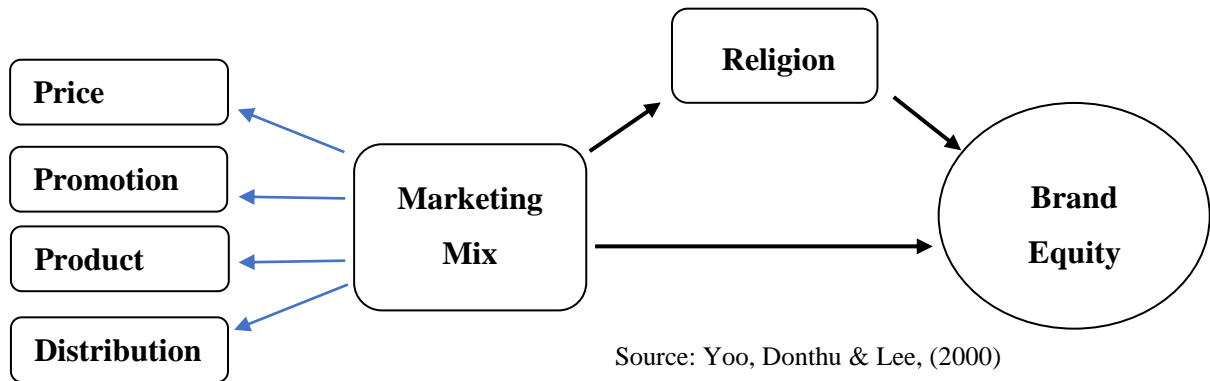


Figure-1. Conceptual Framework of the Study

The following six hypotheses are proposed based on the theoretical and empirical literature reviews.

These proposed hypotheses are:

Based on these notions, the following hypotheses are proposed:

H1 – Product has significant and positive effect on brand equity

H2 – Price has significant and positive effect on brand equity

H3 – Promotion has significant and positive effect on brand equity

H4 – Placement/ Distribution has significant and positive effect on brand equity

H5 – Marketing mix practice has significant positive relationship with religion

H6 – Religion has mediating role on the relation between marketing mix and brand equity

CHAPTER THREE

3. RESEARCH METHODOLOGY

This chapter presents the scope of methodological procedures employed in this study. It includes research design, sample design procedures, data collection instruments, procedures, analysis techniques, reliability and validity test of data collection instrument and ethical considerations.

3.1. Research Approach

There is a tendency to divide research into qualitative and quantitative based on type of data utilized as the criterion for classification. Qualitative research involves studies that do not attempt to quantify their results through statistical summary or analysis. It seeks to describe various aspects about behavior and other factors studied in the social sciences and humanities. The data are often in the form of descriptions, not numbers; whereas, quantitative research is a systematic and scientific investigation of quantitative properties and their relationships. The objective of quantitative research is to develop and employ mathematical models, theories and hypotheses pertaining to natural phenomena. The process of measurement is central to quantitative research because it provides the fundamental connection between empirical observation and mathematical expression of an attribute (Amini, 2010). Thus, quantitative approach was applied in this study for the fact that cause-effect relationship of the study variables was justified or the proposed hypotheses were tested through the mathematical model designed to fit this study.

3.2. Research Design

In order to address the research gap identified and to meet the specific objectives, explanatory research designs has been employed. According to Riaz (2011) explanatory research is conducted in order to identify the extent and nature of cause-and-effect relationships. Explanatory research can be conducted in order to assess impacts of specific changes on independent variables that change the dependent variable. It focuses on analysis of a situation or a specific problem to explain the patterns of relationships between variables. Therefore, this study has applied explanatory research design to investigate the effect of the independent variables such as; price, perceived product

quality, promotion and distribution on the overall consumer-based brand equity of the consumers mediated by religion.

3.3. Population

A target population is the entire group of people or entities that the researcher is interested to draw conclusions from (Kothari, 2004). Muslim consumers of ONE-Water brand bottled water of Mogle Plc. are recognized as population from which the sample frame is drawn. The sample frame for this study was the set of Muslim consumers residing in Addis Ababa City, including both genders, and across all ages above 18 years. The target population of the study can be considered as infinite population as the exact number of Muslim consumers is unknown.

3.4. Sample Technique

There are two sampling techniques to select the targeted respondents from the sampling frame, probability or non-probability sampling methods (Creswell, 2009). The former refers random (equal chance) selection whereas the latter is subjective and depends on the judgment or the justification of the researcher. Non-probability sampling method, specifically convenient sampling technique by using those customers available in a certain specific time and place is appropriate for this study. Convenience sampling was used because it is a type of sampling where the first available primary data source will be used for the research without additional requirements. In other words, this sampling method involves getting participants wherever they could easily be found or contacted typically wherever is convenient.

In the case of this study, this method can be applied in order to gain initial primary data regarding brand equity of ONE-Water brand in relation to its marketing mix elements. Therefore, convenient non-probability sampling method was applied and it is more effective in order to contact each respondent until the calculated sample size attained.

3.5. Sample Size

Determining sample size is a very important issue because samples that are too large may waste time, resource and money, whereas samples that are too small may lead to inaccurate results. According to Saunders (2007) researchers normally work to a 95% level of certainty. Sampling is

the process of selecting a number of study units from a defined study population (Zikmand, 2010). It is economical to take representative sample for the intended investigation when conducting census is unrealistic. Since the number of the population is unknown, simplified formula for proportion sample size is determined by the following formula as it stated by Cochran (1987). Therefore, the formula to determine the sample size proportion for unknown population is:

$$n = \frac{Z^2 \times p \times q}{(e^2)} = \frac{(1.96)^2 \times 0.5 \times 0.5}{(0.05^2)} = 384$$

Where: Z^2 = 95% of confidence level and equals 1.96

P = expected prevalence which equals 50%

e^2 = is the level of precision or sampling error and equals 5% (0.05)

Therefore, the targeted sample size was a total of 384 targeted consumers.

3.6. Source of Data

There are two types of data sources when collecting data; primary and secondary data sources (Arbnor, 1994). Primary data consists of all the data collected throughout the study that can be directly related to the study purpose, both personally gathered as well as data from a third party that has been gathered with equivalent purpose. Secondary data on the other hand, contains relevant data that has been collected for a different purpose, but from which the conclusion is valuable for the purpose. Throughout the study, basically primary data was used for analysis. Besides, secondary sources, directly or indirectly related to the purpose, were also collected for enriching the study.

3.7. Data Collection Instruments

The primary data was collected through self-administered questionnaires. Questionnaires are applied usually for descriptive, which identify and describe the variability in different phenomena or explanatory research, which examine and explain relationships between variables (Saunders, Lewis & Thornhill, 2009). The questionnaire has three parts. The first part contains questions regarding respondents' demographic profile; the second part includes questions regarding marketing mix dimensions; and the third part comprises questions regarding their overall perception towards ONE-Water bottled water brand equity.

The format for the self-administered standardized questionnaire was adopted from Yoo, Donthu & Lee (2000). Based on Aaker's concept, Yoo, Donthu & Lee (2000) created the Brand Equity Creation Process Model to systematically examine the relationship among marketing efforts, brand equity dimensions, and brand loyalty. Their model was an extension of Aaker's proposal which indicated that marketing activities had significant effects on brand equity dimensions, which in turn created and strengthened the loyalty. Thus, the relationship between marketing activities and brand equity is mediated by these dimensions. The study proved that significant relationship exists amongst the dimensions themselves. As one of the first studies of its kind, this model provided a good starting point for further research on the linkage between marketing activities and brand equity.

In this study, the model proposed by Yoo, Donthu & Lee (2000) and the one proposed by Busnaina & Woodall, (2010) were consulted to get a common model predicting brand equity as an effect of the religion variable. Religion as a moderating factor is added to enhance the explanatory power of the brand equity phenomenon.

The questions enable the participants to express their level of agreement with a five-point Likert's scale format and closed-ended items which are prepared to gather data from the respondents (Rashid, 2002). According to Spector (2004), the Likert Scale is a popular device for measuring people's perceptions, attitudes, beliefs, emotions and personality traits. The interview was conducted to support data collected through questionnaire and cross-check the validity of the contents used. Many studies utilize a single scale to measure ordinal or interval data using scale 1- to -5 or 1- to -7, where 1- very dissatisfied and 5- or 7 - very satisfied. However, this simple measurement does not represent the complexity of CSR and Brand Image (Carroll, 2007). This study, however, adopts five-scale construct to measure the aforementioned study variables.

3.8. Validity and Reliability of Data Collection Instrument

Validity is the extent to which data collection method(s) accurately measure what they are intended to quantify (Saunders, 2009). The researcher ensures validity of the study by pre-testing (external validity) with questionnaires to correct any ambiguity in the questions when detected and also by asking clearly stated questions to the respondents. According to Fink (2003) it is significant to pilot test the questionnaire in making sure validity and the minimum number of questionnaires to be pilot

tested should not be below 10 questionnaires. The pretesting, thus, was conducted by distributing 30 questionnaires to ONE-Water marketing officials, and marketing scholars at different universities as well as consumers who went through the questionnaires to verify suitability of questions, language (style of expressing) and forwarded their suggestions to improve the questionnaire. Finally, after having conducted all the required modification, it was found satisfactory to distribute to the targeted respondents accordingly.

According to Mugenda (2003) reliability is the ability of a research instrument to produce consistent results after repeated trials. It refers to the degree to which a measuring instrument includes variable errors that appear variably from observation to observation during any one measurement attempt or at the same measuring instrument. It can be considered as a means of assurance for accurate coding and numbering to the subjects. A reliability computation will also be used to compute mean reliability coefficient estimates for Cronbach Alpha with a significance level of $p \leq 0.05$. The use of Cronbach Coefficient to measure reliability of instrument enables to identify the strength of items included in the questionnaire such that measure between 0.7 and 1.0 signifies a strong consistency of item used in questionnaire. However, the acceptable Alpha value that meets the statistical prerequisite for the instrument to be characterized as reliable should be between 0.70 and 0.9 as the value more than 0.9 could be an implication of redundant variables measuring same subject. The Alpha score for the questionnaires falls within the given range, the data collection instrument would be taken as the suitable tool for conducting data analysis due to its capability of producing stable and consistent results.

3.9. Data Analysis and Presentation

This thesis consists of both Descriptive and Explanatory components. Quantitative data was analyzed using Descriptive as well as inferential statistical methodologies. As per Ruane (2005), statistics to describe a variable focus on two aspects: central tendency and dispersion. The descriptive constituent has focused on measures of central tendency, measures of variability, as well as measures of association, namely Mean (M) and Standard Deviation (SD), and correlation coefficients. The Mean describes the typical (average) response in a data set. According to Sreejesh (2014), there are three crucial points to remember about the Mean:

- The Mean is only a measure of central tendency that is influenced by every value in a set of scores
- It is possible to get a Mean value that is different from all of the other scores in a distribution; the Mean does not have to be an actual value in a set of scores
- Since the Mean is calculated as an arithmetic average, the Mean turns out to be the balancing point in a set of values.

Marczyk (2005) suggest that the mean is strongly influenced by extreme values or outliers. Moreover, measures of central tendency do not tell us how much values vary within a data set. For example, two sets of data could have the same Mean but may vary greatly in how their values are spread out. Hence, Standard Deviation is important to address such concerns while analyzing descriptive data as it measures how values are spread around the Mean.

The study also uses linear multi-regression analysis models for testing the hypotheses drawn from the conceptual framework. Regression analysis is a statistical method to deal with the formulation of mathematical model representing relationship amongst variables which can be used for the purpose of prediction of the value of dependent variable, given the value of the independent (Kothari, 2004). Multiple linear regression estimates the coefficients of the linear equation, involving one or more independent variables that best forecast the value of the dependent variable. Empirical model will be applied in this study is, thus, formulated a multi-regression analysis model for investigating individual effect of each independent variable.

Model Specification - To do so, the relationship between the variables is formulated as:

X - Independent Variable (Marketing Mix – Product, Price, Placement, Promotion)

Y_1 - Mediating Variable (Religion)

Y_2 - Dependent Variable (Brand Equity)

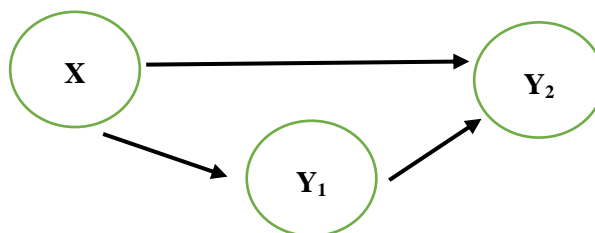


Figure -2. Structure of the Regression Model

- *The effect of marketing mix strategy on brand equity (H1 – H4)*

$$Y_2 = \beta_0 + \beta_{Y_2}X = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + e$$

Where: Y = Overall Brand Equity; X = Overall Marketing Mix; x₁ = Product; x₂ = Promotion; x₃ = Price; x₄ = Distribution; e = error term; β₀ = constant, term; β_{1,2,3,4} = coefficient terms

- *The mediating effect of religion on the relationship between marketing mix and brand equity (H6)*

$$Y_2 = \beta_0 + \beta_{Y_2}X + \beta_{Y_2}Y_1 + e$$

Multiple linear regressions were conducted to identify the relationship and determine the most dominant variables of marketing mix that influence the overall brand equity along with the mediating role of religion.

3.1 Ethical Consideration

Informed consent was sought from the management of the selected organizations before the commencement of this research initiative. Approval for this study was obtained from St. Mary's University School of Graduate Studies student support office. And formal consent was obtained from each participant/sampling unit before data collection is commenced. The researcher has managed to protect the rights of the respondents by ensuring that none of the respondents would be named during the research or subsequent thesis and respondents were voluntarily selected to participate.

CHAPTER FOUR

4. DATA PRESENTATION, ANALYSIS AND INTERPRETATION

This chapter deals with the presentations, analysis, and interpretations of data in relation to examining the effect of marketing mix on the brand equity of One Water mediated by religion by formulating hypothesis. In order to meet the objectives of the study, the data that were gathered from the primary source using questionnaire were analyzed, presented, and interpreted in this section.

4.1. The Questionnaire Response Rate

The questionnaires were physically distributed to consumers of ONE bottled water located in Addis Ababa City. Out of the 384 distributed questionnaires, 340 were returned. The returned questionnaires were checked for errors; as a result 19 incomplete questionnaires were identified and discarded. Finally, 321 questionnaires were found to be usable and used for final analysis. Therefore, 85% response rate had been obtained.

4.2. Demographic Characteristics of the Respondents

As revealed in the below table with regards to the first demographic distribution, out of the total respondents, 62% of them were male and the remaining 38% were female. With the scope and the sample size of this study, it would be premature to make conclusive remarks as to what this gender discrepancy means, other than the sampling diversity. Perhaps, further endeavours with specific focus to gender might explore this venue from a gender-related perspective.

As indicated in item 2 of the table regarding age of the respondents, 38% of them lay between the age brackets of 31-40 years followed by the age groups of 21-30 years and 41-50 which accounted for 36.1% and 20.9% respectively. But, the remaining 4% and 0.9% were found over 50 years and less than 20 years. This finding is positive in its indication that ONE bottled water interests' people from all age groups, adolescents all the way to the elderly. Of course, it is noteworthy to acknowledge that this phenomenon is largely due to the nature of the product category, as water is as utilitarian a product as it gets, appealing to people from regardless of age. However, it would be

interesting to cross reference this finding with findings regarding other variables and see if there's valuable insight to arrive at.

Table 1: Socio-Demographic Characteristics of Respondents

| Demographic and General Information | | | |
|-------------------------------------|-------------------------|------------|----------------|
| Demographic Variable | Categories | Outcomes | |
| | | Frequency | Percentage (%) |
| Gender | Male | 199 | 62.0 |
| | Female | 122 | 38.0 |
| | Total | 321 | 100.0 |
| Age | Younger than 20 years | 3 | .9 |
| | 21-30 years | 116 | 36.1 |
| | 31-40 years | 122 | 38.0 |
| | 41-50 years | 67 | 20.9 |
| | Older than 50 years | 13 | 4.0 |
| | Total | 321 | 100.0 |
| Educational Level | High school and below | 69 | 21.5 |
| | Diploma | 83 | 25.9 |
| | Bachelor Degree | 138 | 43.0 |
| | Master Degree and Above | 31 | 9.7 |
| | Total | 321 | 100.0 |
| Monthly Income | Less than 5,000 | 125 | 38.9 |
| | 5,001-10,000 | 129 | 40.2 |
| | Greater than 10,000 | 67 | 20.9 |
| | Total | 321 | 100.0 |

Source: Own Survey Result of SPSS, 2021

Regarding the educational status of the respondents, the majority (43%) were first degree holders, 29.5% of them had Diploma, 21.5% of them attended high school and below, and the rest 9.7% were Masters' Degree and above holders. Thus, the result implies that the majority of the respondents possessed a high level of education and they have knowledge to evaluate the brand equity as well as to fill the questionnaire.

Furthermore, with regards to monthly income, the majority (40.2%) earned the monthly income of Birr 5,001 to 10,000 followed by less than Birr 5,000 which accounted for 38.9%. The rest 20.9% of them were earned more than Birr 10,000, respectively.

4.3. Testing of Research Instrument-Reliability

Table 2: The outcome of Reliability Test

| Construct/Dimension Name | No of items | Cronbach's α |
|--------------------------|-------------|---------------------|
| Product | 4 | .810 |
| Price | 4 | .755 |
| Promotion | 4 | .769 |
| Distribution | 4 | .764 |
| Religion | 5 | .744 |
| Brand equity | 4 | .878 |
| Overall reliability | 25 | .922 |

Source: SPSS data output, 2021

As indicated in the above table, by using SPSS, the Cronbach's Alpha value for all dimensions and constructs are more than 0.7 that is the threshold value according to (Cronbach, 1951; Nunnally, 1978). These Cronbach's alphas indicate that the scales used in the questionnaire satisfactorily measured the constructs. Hence, reliability for all dimensions and constructs are accomplished.

Table 3: The outcome of KMO and Bartlett's Test

| KMO and Bartlett's Test | | |
|--|---------------------|---------|
| Kaiser-Meyer-Olkin Measure of Sampling Adequacy. | | .870 |
| Bartlett's Test of Sphericity | A pprox. Chi-Square | 773.720 |
| | Df | 15 |
| | Sig. | .000 |

Source: SPSS data output, 2021

The above table shows the outcome of KMO test of Exploratory Factor Analysis (EFA). According to the outcome of KMO and Bartlett's Test as shown in the above table, KMO value is 0.870 that is well above threshold value 0.5. KMO value lies between 1 and 0 and anything above

0.9 is excellent but value above 0.5 is acceptable (Field, 2009). Besides, the Bartlett's test of Sphericity was significant at P-0.000 indicating the suitability of the sample for factor analysis.

4.4. Descriptive Analysis of the Variables of the Study

The tables below present the mean and the standard deviation of the independent variables and the dependent variable from respondents' observation. Mean value provides the idea about the central tendency of the values of a variable. Standard deviation gives the idea about the dispersion of the values of a variable from its mean value. According to Best (2005), the scale for interpreting the results are categorized in such a way that 1.00 – 1.80 (strongly disagreed); 1.81 – 2.60 (disagreed); 2.61 – 3.40 (neither disagreed nor agreed); 3.41 – 4.20 (agreed); and 4.21 – 5.00 (strongly agreed).

Table 4: Descriptive Statistics of Perceived Product

| Descriptive Statistics | | | |
|---|----------|-------------|-----------------------|
| | N | Mean | Std. Deviation |
| ONE water has an acceptable product quality | 321 | 4.04 | 1.047 |
| ONE water meets my requirement | 321 | 3.86 | 1.037 |
| ONE water has consistent quality | 321 | 3.70 | 1.136 |
| ONE water has good originality | 321 | 3.61 | 1.171 |
| Average | 321 | 3.80 | 1.100 |
| Valid N (list wise) | 321 | | |

Source: SPSS output, 2021

As shown in the above table, the respondents were requested whether their level of satisfaction with regards to perceived product quality. The first dimension of marketing mix element is product which is further divided into four attributes. The mean scores of perceived product quality for all the four attributes range from 3.61 to 4.04 and for average mean for overall automated technology adaption has a mean score of 3.8 which is above the midpoint. Thus, the result implies as per the observation of the respondents, they were almost satisfied by the product quality of One Water brand bottled water. This implies that, the quality of product was considered as the most important factor in the beverage industry and plays an important role in brand preferences of bottled water.

Table 5: Descriptive Statistics of Price of One Water brand

| Descriptive Statistics | | | |
|---|-----|------|-------|
| | N | Mean | SD |
| ONE water offers value for money. | 321 | 3.58 | 1.151 |
| ONE water is reasonably priced. | 321 | 3.86 | 1.058 |
| ONE water considers the purchasing power of it's customers. | 321 | 3.78 | 1.037 |
| ONE water offers quality product which is related with the price. | 321 | 4.04 | 1.018 |
| Average | 321 | 3.82 | 1.066 |
| Valid N (list wise) | 321 | | |

Source: SPSS output, 2021

The above statement is designed to know whether the customers were satisfied with the price of One Water bottled water or not. As depicted in the above table 4 items were used to measure the price dimension. As depicted in the above table, the mean of the items ranges from 3.58 to 4.04. Likewise, the average mean of overall price dimensions is 3.82 which were above the midpoint. Therefore, the respondents i.e. the customers were satisfied with the price of One Water.

Table 6: Descriptive Statistics of Promotion

| Descriptive Statistics | | | |
|--|-----|------|----------------|
| | N | Mean | Std. Deviation |
| ONE water adverts give adequate information | 321 | 4.14 | .990 |
| ONE water offers attractive promotional prizes | 321 | 4.25 | .863 |
| ONE water its advertising is realistic | 321 | 4.06 | .857 |
| ONE water promotion is attractive or unexaggerated | 321 | 4.31 | .748 |
| Average | 321 | 4.19 | .865 |
| Valid N (list wise) | 321 | | |

Source: SPSS output, 2021

With respect to promotion of One Water brand, the respondents were asked whether they were satisfied with promotion of the One Water or not. Accordingly, as depicted in the above table, four items were used to measure the promotion of One Water bottled water. The mean results of all items were above the midpoint. Likewise, the overall mean result of the dimension is 4.2. Thus, the result implies that the respondents were satisfied with the promotion of One Water.

Table 7: Descriptive Statistics of Distribution/Placement

| Descriptive Statistics | | | |
|--|-----|------|----------------|
| | N | Mean | Std. Deviation |
| ONE water is easily accessible in my residential area | 321 | 3.60 | 1.041 |
| ONE water is available in my favorite hotels and restaurants | 321 | 3.83 | 1.063 |
| ONE water has excellent distribution channels | 321 | 2.46 | 1.222 |
| ONE water has the power to supply the product when needed | 321 | 4.03 | .981 |
| Average | 321 | 3.48 | 1.077 |
| Valid N (list wise) | 321 | | |

Source: SPSS output, 2021

Distribution refers to activities that are done to deliver a product or service to customers. The respondents were requested whether their level of satisfaction with regards to the distribution of One Water bottled water or not. The mean scores of distribution or placement of One Water bottled water for all the four attributes range from 2.46 to 4.03 and the average mean for overall distribution has a mean score of 3.5 which is above the midpoint. Thus, the result implies that as per the observation of the respondents, they were almost satisfied by the distribution of One Water.

Table 8: Descriptive Statistics of Subculture

| Descriptive Statistics | | | |
|---|-----|------|-------|
| | N | Mean | SD |
| ONE water package/ labeling represents my beliefs | 321 | 4.26 | .851 |
| ONE water has a content/ production process fully acceptable (halal) in my religion | 321 | 3.95 | .960 |
| ONE water promotes mainly during religious events/ holidays | 321 | 3.63 | 1.192 |
| ONE water tries to make fair profit from its sales | 321 | 4.15 | .887 |
| ONE water supports disadvantaged/poor/ people | 321 | 3.88 | .907 |
| Average | 321 | 3.97 | .959 |
| Valid N (list wise) | 321 | | |

Source: SPSS output, 2021

With respect to Subculture/religion, the respondents were asked whether they were satisfied with the subculture/religion or not. Accordingly, as depicted in the above table, five items were used to measure whether the religion affect the customers' or not. The mean results of all items were ranges

from 3.63 to 4.15 which were above the midpoint. Likewise, the overall mean result of the dimension is 4. Thus, the result implies that the respondents were satisfied with the religion.

Table 9: Descriptive Statistics of brand loyalty

| Descriptive Statistics | | | |
|---|----------|-------------|-----------|
| | N | Mean | SD |
| It makes sense to buy this brand instead of another brand, even if they are same. | 321 | 4.10 | .911 |
| Even other brand has the same features; I would prefer to buy this brand. | 321 | 4.22 | .776 |
| If there is another brand as good as this brand, but I prefer to buy this brand. | 321 | 4.07 | .930 |
| Even if another brand is similar, it seems smarter to purchase this brand. | 321 | 4.10 | .914 |
| Average | 321 | 4.12 | .883 |
| Valid N (list wise) | 321 | | |

Source: SPSS output, 2021

As depicted in the above table, the respondents were requested whether their level of satisfaction with regards to the customers' Brand equity of One Water brand bottled water. The mean scores of brand equity for all the four attributes range from 4.07 to 4.22 and for average mean for overall brand equity has a mean score of 4.12 which is above the midpoint. Thus, the result implies that they were satisfied by the customers' brand equity on One Water bottled water.

4.5. Correlation Analysis

This section discusses the findings on the correlation among independent variables and depending variable. Table-10 represents the interpretation of the correlation coefficient based on Cohen (1988).

Table 10: Strength of association based on the size of correlation based on Cohen (1988)

| Degree of Correlation | R Values |
|------------------------------|--|
| Small correlation | $r = -0.1$ to -0.29 and $+0.10$ to $+0.29$ |
| Medium correlation | $r = -0.3$ to -0.49 and $+0.3$ to $+0.49$ |
| Large/Strong correlation | $r = -0.50$ to -1.00 and $+0.5$ to $+1.00$ |

The interpretations of the correlation coefficient in Table-10 were used to understand the relationship between marketing mix and brand equity. It also was used to explain the relationship

strength in terms of value of the Spearman correlation (r) and the direction of the relationship of the variable that were used in this study.

Table 11: Correlation Analysis

| Correlations | | | | | | |
|--------------|---------|--------|-----------|--------------|----------|---------------|
| | Product | Price | Promotion | Distribution | Religion | Brand Loyalty |
| Product | 1 | | | | | |
| Price | .680** | 1 | | | | |
| Promotion | .328** | .333** | 1 | | | |
| Distribution | .542** | .525** | .329** | 1 | | |
| Religion | .570** | .522** | .434** | .494** | 1 | |
| Brand Equity | .555** | .537** | .425** | .557** | .574** | 1 |

Source: SPSS data output, 2021

Based on the results illustrated in the above Table, it can be seen that the correlation between marketing mix and brand loyalty. The first variable in the marketing mix which is product has the correlation of ($r=0.555$, $p<0.05$) which indicates that there is a positive, strong significant relationship between product and brand equity. The second variable is price, with ($r=0.537$, $p<0.05$) also indicates that there is positive strong significant relationship between price and brand equity. The third variable of marketing mix that is promotion has ($r=0.425$, $p<0.05$) which explains that there is positive medium significant relationship between promotion and brand equity. Lastly, the fourth marketing mix which is distribution has ($r=0.557$, $p<0.05$), shows that there is positive strong significant relationship between distribution and brand equity. The last but not least, the results indicated that there is a positive, strong and significant relationship between brand equity and religious affiliation with ($r=0.574$, $p<0.05$). These coefficients show that all variables are associated with one another.

4.6. Multiple Linear Regression Assumption

In this study several assumptions regarding the utilization of multivariate statistical tools, namely normality, homoscedasticity, linearity, and multi col linearity were applied before performing any multivariate analysis.

4.6.1. Test of Normality

The test of normality is detected based on skewness and kurtosis statistics. The acceptable range for normality for both skewness and kurtosis statistics is between -2 and +2 (George and Mallery, 2010). Therefore, as depicted in table below, all variables values of kurtosis and skewness are almost within the acceptable range for normality. So, this implies that all items show close to normal distribution considering the criteria of skewness and kurtosis values between -2 and 2.

Table 12: Normality of Distribution Using Descriptive Statistics (Skewness and Kurtosis)

| Descriptive Statistics | | | | | |
|------------------------|-----------|-----------|------------|-----------|------------|
| | N | Skewness | | Kurtosis | |
| | Statistic | Statistic | Std. Error | Statistic | Std. Error |
| Religion | 321 | -.614 | .136 | .247 | .271 |
| Marketing mix | 321 | -.470 | .136 | .039 | .271 |
| Brand Equity | 321 | -.734 | .136 | .415 | .271 |
| Valid N (listwise) | 321 | | | | |

Source: SPSS data output, 2021

Therefore, as indicated in the above table, the data used in this study could be assumed to be normally distributed. As per Hair (1998), the plots are different from residuals plots in that the standardized residuals are compared with the normal distribution. In general, the normal distribution makes a straight diagonal line, and the plotted residuals are compared with the diagonal. If a distribution is normal, the residual line will closely follow the diagonal. Therefore, as indicated in the figure below, the data were normally distributed.

4.6.2. Multi-col linearity

Multiple linear regressions assume that there is no multi-col linearity in the data. Multi-col linearity occurs when the independent variables are too highly correlated with each other. It can be checked multiple ways: The first one is through the correlation matrix i.e. when computing a matrix of Pearson's bivariate correlations among all independent variables, the magnitude of the correlation coefficients should be less than .80. Therefore, the magnitude of the correlation coefficient among all independent variable is less than 0.8.

Table 13: Col linearity Statistics

| Coefficients ^a | | | |
|---------------------------|-----------|--------------------------|-------|
| Model | | Col linearity Statistics | |
| | | Tolerance | VIF |
| 1 | Product | .362 | 2.762 |
| | Promotion | .499 | 2.000 |
| | Price | .601 | 1.664 |
| | Placement | .529 | 1.890 |
| | Religion | .569 | 1.757 |

a. Dependent Variable: Brand Equity

Source: SPSS data output, 2021

Besides, it can also be detected using tolerance value and variance inflator factor (VIF) value. Thus, as revealed from table above, the multi-col linearity does not exist among all the independent variables provided that the tolerance value of all the independent variables are greater than 0.1 and the VIF values of all the independent variables are less than 10.

4.6.3. Homoscedasticity of the Error Terms

The other assumption of multiple linear regressions is homoscedasticity. Hair et al. (2006) argue the test of homoscedasticity is required because the variance of the dependent variable being explained in the dependence relationship could not be focus in simply a limited range of the independent values. A scatterplot of residuals versus predicted values is good way to check for homoscedasticity. There should be no clear pattern in the distribution; if there is a cone-shaped pattern, the data is heteroscedastic. Thus, the scatter plot of standardized residual was conducted for all the variables and the outcomes from the data were shown in figure 3.

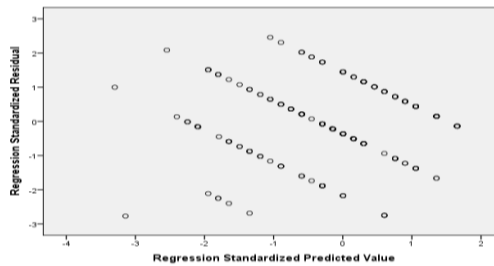
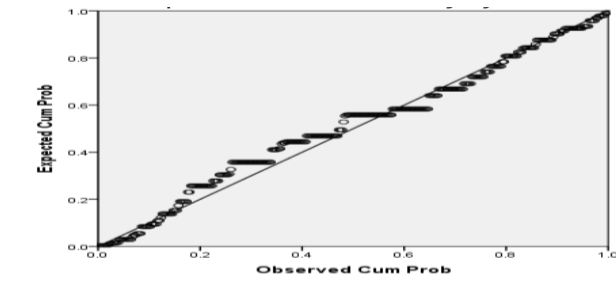


Figure 3: Scatterplot

4.6.4. Linearity

Linear models predict values falling in a straight line by having a constant unit change (slope) of the dependent variable for a constant unit change of the independent variable (Hair et al., 1998). The linearity assumption can easily be checked using scatterplots or residual plots: plots of the residuals vs. either the predicted values of the dependent variable or against (one of) the independent variable(s) (Hoekstra et al., 2014). The scatter plots of standardized residuals versus the fitted values for the regression models were visually inspected from figure 4.



Source: SPSS data output, 2021

Figure 4. Linearity test

4.6.5. Independent errors/No autocorrelation

This assumption can be tested with the Durbin–Watson test, which tests for serial correlations between errors. Specifically, it tests whether adjacent residuals are correlated. The test statistic can vary between 0 and 4 with a value of 2 meaning that the residuals are uncorrelated (Field, 2005). As indicated in table 15, the Durbin-Watson test result is 1.910 which is closer to the acceptable standard of 2.0 shows that there is no autocorrelation problem in the model.

4.7. Multiple Linear Regression Analysis

A mediation analysis was conducted using Baron and Kenny (1986) approach. In the first step the effect of the independent variables on the dependent variable, without the mediator was examined. The second step examined the influence of the independent variable on the mediator variable. Finally, the last step was taken to investigate the influence of the combination of the independent variable and the dependent variable, with a mediator.

4.7.1. The Effect of Marketing Mix Elements on Brand Equity

The R value: As indicated in table 14, the $R=.676^a$ indicates the linear combination of the independent variables (product, price, promotion, and distribution) strongly predicted dependent variable (brand equity) i.e. strong correlation between predictors and observed variables. Likewise, the value ($R^2=.457^a$) indicated that, the marketing mix variables (product, price, promotion, and distribution) explains 45.7% variance in the brand equity and the remaining 54.3% is explained by extraneous variables, which have not been included in the regression model.

Table 14: The Effect of the independent variables on dependent variable

| Coefficients ^a | | | | | | |
|--|--------------|-----------------------------|------------|---------------------------|-------|------|
| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | .838 | .227 | | 3.685 | .000 |
| | Product | .176 | .048 | .218 | 3.657 | .000 |
| | Price | .156 | .053 | .173 | 2.941 | .004 |
| | Promotion | .224 | .050 | .203 | 4.516 | .000 |
| | Distribution | .301 | .055 | .282 | 5.462 | .000 |
| R=.676 ^a | | | | | | |
| R ² =.457 | | | | | | |
| Adjusted R=.450 | | | | | | |
| Std. Error of the Estimate=.567 | | | | | | |
| Sig. F Change=.000 | | | | | | |
| a. Predictors: (Constant), Distribution, Promotion, Price, Product | | | | | | |
| b. Dependent Variable: Brand Equity | | | | | | |

The significance level/ the p-value for all variables were statistically significant ($p<.05$), meaning that marketing mix has a significant predictor of brand equity. Accordingly, the finding revealed that hypothesis 1, 2, 3, and 4 which states ‘Product, price, promotion, and distribution has the positive significant effect on the brand equity’ is supported by the data collected on this survey as the Product ($p\text{-value} < 0.05$; $\beta=0.218$); Price ($p\text{-value} < 0.05$; $\beta=0.173$); Promotion ($p\text{-value} < 0.05$; $\beta=0.203$); Distribution ($p\text{-value} < 0.05$; $\beta=0.282$) hence, the alternative hypotheses for all marketing mix are confirmed.

Therefore, the regression equation for this study derived as:

$$Y = 0.838 + 0.218X_1 + 0.173X_2 + 0.203X_3 + 0.282X_4 + e$$

4.7.2. The Effect of Marketing Mix on Religious Affiliation

Table 15: The Effect of the marketing mix on religion

| Coefficients ^a | | | | | | |
|--|---------------|-----------------------------|------------|---------------------------|--------|------|
| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 1.033 | .201 | | 5.134 | .000 |
| | Marketing mix | .782 | .050 | .656 | 15.543 | .000 |
| R=.656 ^a | | | | | | |
| R ² =.431 | | | | | | |
| Adjusted R=.429 | | | | | | |
| Std. Error of the Estimate=.561 | | | | | | |
| Sig. F Change=.000 | | | | | | |
| Durbin-Watson=1.910 | | | | | | |
| a. Predictors: (Constant), Marketing Mix | | | | | | |
| b. Dependent Variable: Religiosity | | | | | | |

Source: SPSS data output, 2021

As indicated in table 15, the R=.656^a indicates the linear combination of the independent variables (marketing mix) strongly predicted mediating variable religion i.e. strong correlation between predictors and mediator variable. Similarly, the value (R²=.431) indicated that, the marketing mix explains 43.1% variance in the subculture and the remaining 56.9% is explained by extraneous variables, which have not been included in the regression model.

The p-value for all variables were statistically significant at p<.05, meaning that all marketing mix elements (product, price, promotion, and distribution) have a significant predictor of mediator variable religion. Accordingly, the finding revealed that hypothesis fifth which states ‘Marketing mix practice has significant positive effect on religion’ is supported by as the marketing mix (p-value < 0.05; β=0.656); hence, the fifth hypothesis which states that ‘the marketing mix practice has significant positive effect on religion’ is confirmed.

Therefore, the regression equation for this study derived as:

$$Y1 = 1.033 + 0.656X + e$$

4.7.3. The Effect of Marketing Mix and Religion on Brand Equity

Table 16: The Effect of the independent & mediating variables` on dependent variable

| Coefficients ^a | | | | | | |
|---|---------------|-----------------------------|------------|---------------------------|-------|------|
| Model | | Unstandardized Coefficients | | Standardized Coefficients | T | Sig. |
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | .696 | .206 | | 3.373 | .001 |
| | Marketing mix | .635 | .066 | .518 | 9.672 | .000 |
| | Religiosity | .241 | .055 | .234 | 4.370 | .000 |
| R=.694 ^a | | | | | | |
| R ² =.482 | | | | | | |
| Adjusted R=.478 | | | | | | |
| Std. Error of the Estimate=.552 | | | | | | |
| Sig. F Change=.000 | | | | | | |
| a. Predictors: (Constant), Subculture/religion, Marketing mix | | | | | | |
| b. Dependent Variable: Brand equity | | | | | | |

Source: SPSS data output, 2021

As shown in table 16, the R=.694^a indicates the linear combination of the independent variables (product, price, promotion, and distribution) strongly predicted mediating variable (religion) i.e., strong correlation between predictors and mediator variable. Similarly, the value (R²=.482^a) indicated that, the marketing mix variables (product, price, promotion, and distribution) and religion together explains 48.2% variance in the brand equity and the remaining 51.8% is explained by extraneous variables, which have not been included in the regression model.

The p-value for all variables were statistically significant at p<.05, meaning that the marketing mix and subculture together have a significant predictor of brand Equity. Similarly, the result of beta value indicated that the religion (p-value < 0.05; β=0.234) and marketing mix (p-value < 0.05; β=0.518) have a positive effect on brand Equity.

Therefore, the regression equation for this study derived as:

$$Y_2 = .696 + 0.518X + 0.234Y_1 + e$$

4.7.4. The Mediating Effect of Religion

The Sobel test is utilized to examine the hypothesis in which the relationship between the independent (X) and dependent (Y) variables is mediated / affected by a third variable (Y); that is;

X and Y have an indirect relationship. In other words, Sobel test examines whether the inclusion of a mediator (M) in the regression analysis considerably reduces the effect of the independent variable (X) on the dependent variable (Y) (Preacher 2020).

| Coefficients ^a | | | | | | |
|---------------------------|---------------|-----------------------------|------------|---------------------------|--------|------|
| Model | | Unstandardized Coefficients | | Standardized Coefficients | T | Sig. |
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 1.033 | .201 | | 5.134 | .000 |
| | Marketing mix | .782 | .050 | .656 | 15.543 | .000 |

a. Dependent Variable: Religiosity

| Coefficients ^a | | | | | | |
|---------------------------|------------|-----------------------------|------------|---------------------------|--------|------|
| Model | | Unstandardized Coefficients | | Standardized Coefficients | T | Sig. |
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 1.762 | .198 | | 8.904 | .000 |
| | Religion | .591 | .047 | .574 | 12.510 | .000 |

a. Dependent Variable: Brand Loyalty

Sa= 0.050; a=.782; Sb=0.047; b=.591

$$\begin{aligned}
 sab &= \sqrt{(b^2sa^2) + (a^2sb^2) + (sa^2sb^2)} \\
 sab &= \sqrt{(0.591)^2(0.050)^2 + (0.781)^2(0.047)^2 + (0.050)^2(0.047)^2} \\
 sab &= \sqrt{0.351781 + 0.61217 + 0.004709} \\
 Sab &= \sqrt{0.96866} \\
 \underline{Sab=0.984205} \\
 Z &= \frac{ab}{sab} \\
 Z &= \frac{0.782 \times 0.591}{0.984205} \\
 \underline{Z=0.468}
 \end{aligned}$$

Since the result of Z value is 0.468 which is less than the standard value of 1.96, thus it can be concluded that religion cannot be a significant mediator between marketing mix and brand equity in the case of One Water bottled water. Hence, the sixth hypothesis which states that ‘Religion has mediating role on the relation between marketing mix and brand Equity’ is not confirmed.

4.7.5. Summary of Hypothesis

Table 17: Summary of the Research Hypothesis Test Result

| | Hypothesis | Result | |
|-----------|---|---------------|---------------------------|
| H1 | Product has significant and positive effect on brand loyalty. | Confirmed | $\beta = 0.218, p < 0.05$ |
| H2 | Price has significant and positive effect on brand loyalty. | Confirmed | $\beta = 0.173, p < 0.05$ |
| H3 | Promotion has significant and positive effect on brand | Confirmed | $\beta = 0.203, p < 0.05$ |
| H4 | Placement has significant and positive effect on brand loyalty. | Confirmed | $\beta = 0.282, p > 0.05$ |
| H5 | Marketing mix has significant and positive effect with religion. | Confirmed | $\beta = 0.656, p < 0.05$ |
| H6 | Religion has mediating role on the relation between marketing mix and brand equity. | Not confirmed | Z value is below 1.96 |

Source: SPSS output, 2021

4.8. Summary of the findings

This study was aimed to examine the effect of marketing mix on the brand equity in the case of One Water mediated by religion. Under the marketing mix; product, price, promotion, and distribution was used as an independent variable and religion was used as a mediator.

Distribution/placement is the first strongest predictor or has the most significant effect on the brand equity of One Water because it has the highest Beta coefficient result ($\beta = 0.282; p < .05$). The Beta coefficient result of 0.282 signifies that for a 1-unit change in the independent variable (distribution), the dependent variable (brand equity) will change by 0.282 units. It is apparent from this result that focus on distribution is an important factor that affects the brand equity of One Water. Making a product available in more stores affords convenience, time savings, speedy service, and service accessibility, thus increasing customer satisfaction. According to Kibera & Waruingi (1988), determining the intensity of the distribution i.e., how wholesalers may and how any retailers will be recruited, is key with the options of intensive, selective and exclusive distributions being available. Managing the whole system (i.e., the supply chain) according to the attractor pattern can enable efficiencies to be achieved. If each element of the chain tries to optimize its own performance, there is a likelihood that minor ordering differences or disturbances can be amplified up the chain, resulting in large, unpredictable disturbances at, for example, the manufacturer level (Forrester, 1996).

The second strongest predictor of brand equity is **Product** ($\beta=0.218$; $P<.05$). The Beta coefficient result of 0.218 signifies that for a 1-unit change in product, the brand equity will change by 0.218 units. Therefore, as per the result of the study, product has positive and significant effect on the brand equity of One Water. The result of this study was consistent with the study of Yoo (2000). Product quality is an important determinant for the customers for choosing a brand that helps in the development of brand reputation. Quality belongs to the product perspective of a brand's identity whereas perceived quality is how a brand's quality is seen by the consumers. A higher price is a sign of high quality to the consumers. Perceived quality is a source of consumer satisfaction it makes them to repurchase the product, which leads to brand equity (Uggla, 2001).

Promotion is the third strongest predictor of brand equity identified in this study ($\beta=0.203$; $P<.05$). The Beta coefficient result of 0.203 signifies that for a 1-unit change in product, the brand equity will change by 0.203 units. The promotion of the marketing mix is a tool that helps disseminate information, encourages the purchase, and has an impact on the decision to buy. Supporter complex includes five elements, namely: advertising, sales promotion, personal selling, public relations and direct marketing. Keller (2003) added that advertising gives strong, favourable, and unique brand associations and creating positive judgment to the people (in Kabadayi, Aygun, & Cipli, 2007). The more intense the advertising and distribution, the more customer will see and hear about the product which makes the brand becomes highly recognized that it will increase brand awareness of customer toward a brand and increase brand equity simultaneously.

The fourth strongest predictor is **Price** ($\beta=0.173$; $P<.05$). The Beta coefficient result of 0.173 signifies that for a 1-unit change in price, the brand equity will change by 0.173 units. Therefore, from the result and some empirical findings, price has positive and significant effect on the brand equity of One Water. Price is one of the most important marketing mix items and many scientists consider the price as one of the most important elements of the market, which increases not only profits, but also market share. However, the price is not only one of the key factors in a competitive situation, which directly affects the company's sales and profitability indicators, but also one of the most flexible marketing mix elements, which can quickly adapt to environmental changes. Therefore, it is the price that perceived as the only element of the marketing mix, generating revenue and the most important customer satisfaction and brand equity factor (Owomoyela, 2013).

The fifth hypothesis which states that 'Marketing mix practice has significant positive relationship with religious affiliation' is supported i.e., product ($p\text{-value} < 0.05$; $\beta = 0.656$). The sixth hypothesis that states 'Religion has mediating role on the relation between marketing mix and brand equity is not confirmed as the Z-value was found to be .468, which is far from 1.96 ($p = .05$).

CHAPTER FIVE

5. SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

This chapter winds up the study undertaken so far by giving insights about summary, conclusions, recommendations and highlighting limitations and suggestions for future research areas.

5.1. Summary of Major Findings

- With regards to socio demographic characteristics of the respondents, out of the total respondents, the majority of them were male which accounted for 62%, and most of them aged between 31-40 years (38%). With regards to the level of education, the majority (43%) of them were first degree holders. and, 40.2% of them earn a monthly income between Birr 5,001-10,000.
- The correlation analysis showed that the four independent variables namely product, price, promotion, and distribution had strong relation with the dependent variable - Brand equity at 0.01 p-values 2-tailed, by scoring a Spearman Correlation Coefficient “R-value” of 0.555, 0.537, 0.425 and 0.557 respectively.
- Religion had strong and positive significant relationship with marketing mix. Religion had statistically positive relation with product ($r = .570$), price ($r = .522$), promotion ($r = .434$) and place/ distribution ($r = .494$). The model summary regarding the relationship between marketing mix and religion, the R-value = 0.656 ($p < 0.05$) shows there is a positive and statistically significant relationship between marketing mix and brand equity.
- From the regression analysis of marketing mix and religion with the dependent variable, all the four independent variables of marketing mix and religion as a mediator variable contribute to statistically significant at $p\text{-value} < 0.05$. The value ($R^2 = .478$) indicated that, the marketing mix variables (product, price, promotion, and distribution) and religion together explains 47.8% variance in the brand equity and the remaining 52.2% is explained by extraneous variables, which have not been included in the regression model.
- The results illustrated that marketing mix had positive and statistically significant effect on brand equity. Specifically

- Distribution/placement is the first strongest predictor or has the most significant effect on the brand equity of One Water because it has the highest Beta coefficient result ($\beta = 0.282$; $p < .05$).
- The second strongest predictor of brand equity is Product ($\beta = 0.218$; $P < .05$).
- Promotion is the third strongest predictor of brand equity identified in this study ($\beta = 0.203$; $P < .05$).
- The fourth strongest predictor is Price ($\beta = 0.173$; $P < .05$).
- Religion didn't show the mediating role between marketing mix and brand equity in the context of One Water brand as the Z-value was found above 5% of the threshold value.

5.2. Conclusions

In today's highly competitive markets, keeping customers and retaining their brand equity is considered crucial in maintaining business. Companies and retailers also need to look for various marketing strategies in order to improve their customers' brand equity. Similarly, the traditional marketing mix elements are not the only factors, consumers used to make decisions now a days than ever before. Rather, branding issues such as brand equity is a key ingredient in decision making. This study investigated the influential dimensions of marketing mix that makes consumers to be aware, associate, perceive positively and loyal to the brand along with the influence of religion between their relationship.

Ethiopian consumer market presents great opportunities for many bottled water manufacturers and retailers to explore. The growth of Muslim population in the country has been growing ever been before. It has become almost the major religious sect in the country which is believed to claim about half of the total population of the country with an alarming growth rate. Supplying quality product with fair price and delivered at the right place for the right consumer along with promoting its value have the potential to create brand value, and brand equity. However, such marketing mix strategies would be influenced by a number of external factors like religion. Religion affects the marketing practices significantly which in turn affect the brand equity of a given product. Therefore, marketers usually try to clearly understand the targeted consumer behaviour towards their preferred products within a multicultural society so as to exceed their expectation. This study sought to facilitate bottled water producers and suppliers to understand Ethiopian consumer behaviour in regards to

their differences in religion. Thus, the aim of this study was to investigate the effect of marketing mix on brand equity through the mediating role of religion in the case of One Water brand supplied by Mogle bottled water manufacturer in Addis Ababa.

The results of this study illustrated that marketing mix elements had positive and statistically significant effect on brand equity. Specifically, distribution channel had relatively the highest significant effect on brand equity. Making a product available in more stores affords convenience, time savings, speedy service and service accessibility, thus increasing customer satisfaction results in brand equity which leads to higher customer-based brand equity. Managing the whole system (i.e., the supply chain) according to the attractor pattern can enable efficiencies to be achieved. However, selection of distributor channel based on their religious orientation should be investigated further if the company targeted to achieve more Muslim customers through Muslim distributors. The reason behind that is, the fast-moving consumer goods' distribution is considerably handled by more of Muslim retailers in the city. If the managements target this opportunity, more value will be added to the brand.

Similarly, product had also relatively positive and statistically significant effect on brand equity next to distribution. Perceived quality of one water was also a source of consumer satisfaction that made them to (re)purchase the product, which leads to brand equity. Quality belongs to the product perspective of a brand's identity whereas perceived quality is how a brand's quality is seen by the consumers. However, the effect of price and promotion were found relatively lower than distribution and product quality.

The research results lead to the conclusion that One Water brand managers who are engaged in strategic brand management may use the price level as an instrument for improving the brand value of the product but didn't have as such higher impact. As a contrary by theoretical findings, this research has shown that a higher brand price doesn't communicate a better brand image in a fast-moving consumer goods market. Moreover, as the result indicates, the management's strategy on promotional activities of the company had relatively the least influence on creating brand equity. Furthermore, a particularly interesting finding is that managers may contribute to an increase in brand equity through the very intensity of promotional activities. The promotional activities, without considering their quality, positively affects the creation of brand awareness but building of less positive brand image which in turn results in an increased low brand value.

However, even though religious affiliation had positive and strong relationship with marketing mix, it doesn't have a mediating role between the two variables. In this case, religion was affected by the marketing activities of the One Water brand managements but it was found statistically insignificant. As known, religion is a macro variable which could be hard to be affected by micro activities like marketing practices. So that, to have a mediating role on the relationship between brand equity and marketing mix practices, religion (an antecedent) should have been significantly affected by marketing mix (precedent) and also it should have affected the brand equity as well. Marketers often use religion as a determinant factor that affect marketing strategies rather than being affected by.

The research results implicate that when allocating marketing budgets to individual marketing mix elements attention must necessarily be paid to the potential impact of a specific marketing mix element on the creation of brand equity. This further means that the potential impact of individual marketing mix elements on brand equity must be included as criterion in deciding on the allocation of marketing budgets to individual marketing mix elements. On top of that, using religion as a mediation form improving brand equity of One Water through marketing mix strategy in a Muslim community would have insignificant effect. But other factors such as word of mouth and other cryptic marketing factors should be further investigated to have the clear picture in this regard.

5.3. Recommendations

Based on the findings of the study, the research forwarded the following recommendations. Among these recommendations:

- The results illustrated that marketing mix had positive and significant effect on brand equity. Specifically, distribution had the highest effect. More brand value of One Water could be achieved through detailed and well-designed channel implementation, selection or assignment of agents and retailers from similar religious sect would improve the overall brand value of the product.
- Similarly, price also had positive and statistically significant higher effect on brand equity of One Water brand. Investing on lean production so as to minimize unnecessary cost of production may improve in lowering the overall cost. This in turn helps lower the selling price which could promote the brand image of the bottled water. Thus, managements of One Water

shall offer relatively lower price through minimizing other direct and overhead costs of production.

- The marketing manager of the One Water bottled water shall consider not only the costs it takes to produce the item, but also the customers' perception on the value of the product. The One Water brand bottled water shall develop the positive image of a product by using product strategies like improving the taste, packaging and variety of bottled water so that it would become more appealing and preferred by consumers.
- Religion didn't have statistically significant mediating role on the relationship between marketing mix and brand equity even if it had positive relationship with marketing mix. Thus, managements shall utilize religion practices as a basis for their marketing strategy through awaking the targeted customers to have positive brand association with one water brand. This would help in building brand value in the long run.
- As a research design, only Muslim consumers were taken as a study population. It was also employed quantitative method for the analysis. Therefore, the researcher suggested that a mixed research design i.e., both qualitative and quantitative shall be used to collect data from different religious sects since qualitative study might give more detailed information in the future. This study was also cross-sectional and explanatory in nature. Future researchers could undertake more in-depth longitudinal study on other bottled water customers.

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Annex 1: Survey Questionnaire

Questionnaire filled by Respondents

Dear Participant,

My name is Natnael Zewdie, a postgraduate student of St. Mary University, School of Graduate Studies. I am conducting a study to investigate the effect of marketing mix on brand equity mediated by religious affiliation in the case of “ONE” brand bottled-water in Addis Ababa. The purpose of this questionnaire is to gather information about consumer’s perception on the marketing mix practices, brand equity and religious sensitivity to the brand. Your honest and sincere responses for this questionnaire will play a great role in making the research successful. I assure you that all the responses will be treated confidentially and only be used for academic purpose. Participation is purely voluntary and no need to write your name.

I thank you in advance for offering your golden time and if you have any question, please feel free to contact me by the below contact:

Natnael Zewdie

Phone: +251 913 412 824

Email: Natnaelzewdie@gmail.com

Part 1: General Information

Please kindly tick on the check-boxes which suit your demographic characteristics.

1. Sex

- Male Female

2. Age

- 21 – 35 years 36 – 45 years 46 – 60 years > 60 years

3. Education

- Certificate Diploma Degree Masters & above

4. Income – Monthly

- < 5,000 birr 5,000 – 10,000 birr >10,000 birr

PART II. Study Variables (Marketing Mix, Brand Equity, Religion).

This section is aimed to evaluate “ONE” brand bottled water marketing mix activities on its brand equity mediated by religion. Each statement relates to your feelings or perceptions about the brand based on your experience. This part is organized in five Likert scale measurement express your level of evaluation by ticking (√) under the numbers of the five alternatives. The score levels are described as:

1- Strongly Disagree; 2- Disagree; 3- Neutral; 4- Agree; 5- Strongly Agree

| Description | Likert Scale | | | | |
|--|--------------|---|---|---|---|
| | 1 | 2 | 3 | 4 | 5 |
| Product | | | | | |
| ONE water has an acceptable product quality | | | | | |
| ONE water meets my requirement | | | | | |
| ONE water has consistent quality | | | | | |
| ONE water has good originality | | | | | |
| Price | | | | | |
| ONE water offers value for money | | | | | |
| ONE water is reasonably priced | | | | | |
| ONE water considers the purchasing power of it's customers | | | | | |
| ONE water offers quality product which is related with the price | | | | | |
| Promotion | | | | | |
| ONE water adverts give adequate information | | | | | |

| | | | | | |
|---|----------|----------|----------|----------|----------|
| ONE water offers attractive promotional prizes | | | | | |
| ONE water its advertising is realistic | | | | | |
| ONE water promotion is attractive or unexaggerated | | | | | |
| Distribution | 1 | 2 | 3 | 4 | 5 |
| ONE water is easily accessible in my residential area | | | | | |
| ONE water is available in my favorite hotels and restaurants | | | | | |
| ONE water has excellent distribution channels | | | | | |
| ONE water has the power to supply the product when needed | | | | | |
| Religious Affiliation | 1 | 2 | 3 | 4 | 5 |
| ONE water package/ labeling represents my beliefs | | | | | |
| ONE water has a content/ production process fully acceptable (halal) in my religion | | | | | |
| ONE water promotes mainly during religious events/ holidays | | | | | |
| ONE water tries to make fair profit from its sales | | | | | |
| ONE water supports disadvantaged/ poors/ people | | | | | |
| Brand Equity | 1 | 2 | 3 | 4 | 5 |
| It makes sense to buy this brand instead of another brand, even if they are same | | | | | |
| Even other brand has the same features, I would prefer to buy this brand | | | | | |
| If there is another brand as good as this brand, but I prefer to buy this brand | | | | | |
| Even if other brand is similar, it seems smarter to purchase this brand | | | | | |

Thank you for your valued time, response and cooperation!!!