

**The Effect of Digital Marketing on Brand Loyalty: The Case of St. George Brewery S.C**  
**Asres Mekuriaw, St. Mary's University**

**Abstract**

This study applied quantitative research approach. Primary data were gathered through questionnaire and supplemented by secondary data sources. The research targeted all consumers of St. George Beer in Addis Ababa above the age of 21. The researcher adopted convenience sampling of non-probability technique, and data were gathered from 235 consumers out of 246 samples. Data were processed via SPSS version 20 and analyzed through descriptive and inferential statistics. Determining factors such as knowledge of the respondents about social media, branding, digital marketing, and knowledge about St. George beer products were all taken into consideration on the questionnaire and adequate responses were given that have been analyzed on SPSS version 20. As per the findings, all the three affecting factors which are online advertisement, social media and customer satisfaction have been shown to have a positive influence on brand loyalty. The overall conclusion of the research shows that the relationship between brand loyalty (dependent variable) and digital marketing (independent variables) is positive. That St. George beer is active on digital marketing makes the brands noticeable. At the same time, the digital marketing helps the company to have loyal consumers. Generally speaking, the regression model developed under the study was considered as a good fit or predictor of brand loyalty of St. George beer products from their customers. The dependent variable is brand loyalty which can be explained by their respective beta coefficients. The individual effects of the independent variables can be explained by their respective beta coefficients, as per the regression result.

**Keywords:** Brand loyalty, Digital marketing, social media, Customer satisfaction and online advertisement

**Background**

According to marketing definition, a brand is a distinguishing symbol, mark, logo, name, phrase, and/or sentence used by corporations to differentiate their product from others. A brand identity can be created using a mix of one or more of those factors. The regularity with which individuals see a brand in search results, social media, email marketing, and other online marketing channels is known as brand visibility. Engaging in active internet marketing to help capture clients' attention to a brand is what brand visibility is all about. Advertising supplied using digital channels such as search engines, websites, social media, email, and mobile apps is referred to as digital marketing. Digital marketing is the process of using these internet media platforms to promote a product or service. Michael. (1998).

A new marketing paradigm is being witnessed in the world, where all organizations in an industry are struggling to attract new set of customers and retain existing ones in a lot of ways even while

offering similar product or services at similar prices. According to Gaurav (2016), Vilfredo Pareto (1848 – 1923), a French born Italian economist, once argued that an organization derives 80% of its profit from 20% of its customers (a theme known as 80:20 rule, p. 1). This, therefore, calls for stronger relationship with the customers who enable the organization to have a competitive edge over competitors in an industry (Rizan, Warokka and Listyawati, 2014) while at the same time seeking for new customers.

Winning organizations, irrespective of the nature of their business or size, have one thing in common: the loyalty of their customers. Organizations capable of providing trust and commitment to their consumers are the organizations that stay on top of the market with their loyal customers (Fallon, 2012). Long term customers often provide free advertising by talking positive about the organization and its business for years. The tendency of loyal customers to provide new customers to the organization on gratis - is mostly beneficial as a company grows, particularly if it operates in a mature industry (Wali, Wright, and Uduma, 2015). Customers' recommendation leads to increase in organizations' overall profit as it reduces the cost of attracting and retaining customers.

Loyal customers' base is often considered as a vital asset to the organization as it can be leveraged in both good and bad times. Reichheld & Sasser Jr (1990) claimed that “Companies can boost profits by almost 100% by retaining just 5% more of their customers”. Alrubaiee & Al-Nazer (2010) noted that cultivating customer loyalty is one of the most important drivers for long term financial performance of the organizations as it leads to increased market share and higher sales at lower cost. Rai & Srivastava (2013) noted that in the market that is characterized by intense competition and intensifying customer expectations, cutting on defection and building long lasting relationship with the customers seem to be the only way of achieving sustainable profitable growth.

Marketers regard advertising as one of the most powerful and effective promotional tools to reach customers. Advertising gives information, persuades, reminds, corrects false impressions and convinces as well as creates a brand image for buyers of a product or service. Not surprisingly, advertising expenditures has shown astronomical growth in recent years. This is due to strongly held perceptions that advertising spending has direct as well as indirect effect on brand loyalty (Ha et al., 2011). Whereas some believe that advertising is effective when it generates sales, others are of the opinion that advertising is effective when it generates activity in the cognitive and affective stages of the hierarchy of effects model. The former belief can be interpreted to mean that advertising can develop brand loyalty and hence ensure repeated purchases which can enhance revenue flows.

Marketing refers to activities a company undertakes to promote the buying or selling of a product or service. Marketing includes advertising, selling, and delivering products to consumers or other businesses. Some marketing is done by affiliates on behalf of a company. Brand visibility is one of the two dimensions from brand perception, an associative memory model (Will Kenton, 2020).

In the Ethiopian context, brand visibility is the main point to have great sales on the product sales and revenue generation. The modern advertisement techniques of countries on the beverage industry includes digital marketing (Which include social media and digital platforms), Trade activations, TV, and radio advertisements, print advertisement and others that can increase brand visibility in the market. In Ethiopia, beer is a catalyst for holiday and celebration part of peoples' lives. People, especially during holiday's celebrations and recreations, buy and consume beer. There are hard facts indicating that beer market in Ethiopia has been growing and the demand for it is rising. Consumption of these beers is also said to be largely in urban areas.

### **Statement of the Problem**

Advertising supplied using digital channels such as search engines, websites, social media, email, and mobile apps is referred to as digital marketing. Digital marketing is the process of organizations endorsing goods, services, and brands through the use of these online media channels. Consumers rely largely on digital tools to conduct product research (Keller & Kotler 2006). Digital marketing, online marketing, internet advertising, and marketing a company online is a huge deal these days, according to (French, -2003). After all, internet usage has more than doubled in the last decade, and this shift has had a significant impact on how people buy things and engage with businesses. Given the significance of conserving money, customers examine and compare prices while purchasing food (Nevin & Suzan Seren, 2010).

Surprisingly, some authors disagree with this definition, claiming that digital marketing encompasses all online marketing efforts and assets. Digital marketing includes email marketing, social media marketing, and even blogging—all of which help to introduce people to a brand and persuade them to buy (Dodds, Monroe, & Grewal, 1991; Kerin, Jain, & Howard, 1992). Because digital marketing has so many possibilities and ideas, a business may get creative and try out a range of marketing tactics on a limited budget. You can utilize tools like analytics dashboards to track the success and ROI of your campaigns more easily with digital marketing than you could with traditional promotional content like a billboard or print ad. According to Figuié and Moustier (2009), the finest digital marketers have a clear understanding of how each digital marketing effort contributes to their overall objectives. Marketers can also support a wider campaign using the free and paid channels available to them, depending on the aims of their marketing plan. According to the central place theory (Craig, Ghosh, & McLafferty, 1984), retail establishments in central locations may draw customers from afar apart. Food customers choose supermarkets with longer operating hours, enough parking, product availability, and accessibility, according to the findings of an Indian study (Jabir et al., 2010).

In terms of context, the research aims to provide information on whether digital marketing affects consumers' understanding of a brand by evaluating key digital marketing features and looks if they were once commonly employed in marketing in St. George Beer in digital marketing. Finally, it identifies the degree of influence of social media on brand loyalty in Ethiopian beverage industry, specifically beer drinks,

More importantly, there are few researches done on effects of digital marketing on brand loyalty of beer products in Ethiopia. This study, therefore, seeks to empirically reveal the effect of digital marketing on the brand loyalty of St. George beer products.

### **Purpose of the Study**

The purpose of the study was to examine the effect of digital marketing on brand loyalty in the case of St. George Beer S.C.

### **Specific Objectives**

The specific objectives of the study are:

- To test the effect of online advertising on brand loyalty in the case of St. George Beer S.C.
- To determine the effect of social media marketing on brand loyalty in the case of St. George Beer S.C.
- To assess the effect of customer satisfaction on brand loyalty in St. George Beer S.C.

### **Review of Related Literature**

Digital marketing, often known as online marketing, is the promotion of brands through the internet and other means of digital communication in order to engage with potential clients. As a marketing channel, this covers not only email, social media, and web-based advertising, but also text and multimedia messaging. It refers to any type of marketing that makes use of electronic gadgets to deliver promotional messages and track their effectiveness. Digital marketing refers to marketing initiatives that display on a computer, phone, tablet, or other device in practice. It can come in a variety of formats, such as internet video, display adverts, and social network updates. Traditional marketing methods such as magazine ads, billboards, and direct mail are frequently compared to digital marketing. Surprisingly, television is frequently grouped with traditional marketing (Keller & Kotler, 2006).

It is known that 2.3 billion people use social media in the World, making it a valuable digital marketing component. Social media allows a company to connect with current and potential customers and develop relationships with them. If they have questions about products and services, they can connect and ask the provider directly on social media. In addition, social media listening allows a company to uncover key trends and insights into consumers' thoughts and opinions related to a brand, industry, products, services, and even competitors. The companies can use this information for other strategies, Underwood (2001); Garber (2000); Goldberg (1999); Schoormans (1997).

### **Search Engine Optimization (SEO)**

The foundation for successful digital marketing, search engine optimization (SEO) refers to several strategies designed to boost rankings in online search results. A staggering 75 percent people don't

look past the first page of search results. You can have the best-designed website in the world, but if it doesn't rank on the first page, most people will never find it. Essentially, all the content you issue online should be optimized so that a search engine will index your content and serve it to the most feasible people. The key to SEO is researching effective keywords for the kind of people you are trying to catch the attention and then developing content decisive on those keywords. When a website ranks at the top of search engine results pages (SERPs), more qualified leads to find and contact you when searching for products or services related to your business. In other words, higher search rankings translate into more leads, phone calls, and revenue for your company (Hawkins et al., 2001).

### **E-Mail Marketing**

In the 1990s, when email was originally called postal mail, it was considered direct marketing medium by marketers (Hoekstra & Zwart 1993). The original aim of emailing was not limited to the establishment of new customer interaction and communication, but also to maintain the existing customer connection, as well as the creation of customer loyalty (Khuu & Do, 2018). Digital marketing has, however, been recognized as a new and powerful way of digital marketing today (Chittenden & Rettie, 2003). Khuu & Do (2018) described it as a seamless means of delivering advertising, promotional, and commercial campaigns to the inboxes of customers directly, thereby proving to be an effective tool for the attraction of customers. E-mail marketing is an important medium of marketing communication especially for companies seeking to build and maintain closer relationships with customers (McCloskey, 2006). Widespread adoption of e-mail as a means of distributing promotional messages has the advantages of low setup and distribution costs, targeted distribution of promotions such as discounts and coupons, and affordability by small and medium-sized businesses (Moustakas, Ranganathan, and Duquenoy, 2006).

### **Online Advertising**

Online advertising has positively affected brand loyalty. The same results were also exposed in Khan and Islam's (2017) research that digital marketing, including online advertising, had a significant positive influence on brand loyalty. In the same way, a study conducted by Erdogmus and Cicek (2012) found that campaigns on social media, comprising online advertising, were the independent variables that had the most significant positive effect on brand loyalty compared to content relevance and brand popularity among friends of consumers.

Brand satisfaction has a positive influence on brand loyalty (Youl & John, 2010). A satisfied customer is likely to use same brand in future as well. The satisfied customer is expected to continue purchasing the same brand. Trust and satisfaction are two factors that lead to positive purchase outcome. When customers have been sure that the company or firm is honest and truthful, then the customers trust the brand and form a positive buying retention towards the brand. Moreover, trust can lead to customers' satisfaction and loyalty to the brand (Anderson & Narus, 1990). When customers feel pleasure and satisfaction after using a product, it leads to long-term

relationship and repeated purchases. Another factor that influences customer satisfaction and expectation is the spreading of word of mouth. It means when customers are satisfied with a brand, they would recommend it to their friends. The customer satisfaction results in improved customer loyalty towards the brand (Dick & Basu, 1994).

According to Serkan & Gökhan (2009), customer satisfaction is the result of overall consumer satisfaction. This satisfaction can be due to collective experience of the product and its different features. The customer satisfaction can also be due to purchase expectation and post purchase experiences by the customer, having got a satisfactory product after paying a suitable cost. However, consumers' satisfaction also depends on expectation of a brand and its performance, and subsequent post purchase experiences (Serkan & Gökhan, 2009). Paurav Shukla (2004, p. 85) states that customer satisfaction is ... "customers' psychological response to his/her positive evaluation of the consumption outcome in relation to his/her expectation". Satisfaction is a subjective evaluation of the consumption experience. The argument is based on disconfirmation satisfaction theory. The theory states that customer evaluation of a product/brand is based on comparison between expected performances with actual performance. Disconfirmation theory of satisfaction has conceptualized as expectation, performance, disconfirmation and satisfaction Gilbert & Carol Surprenant (1982).

Expectation indicates the customers' anticipated performance. There are various expectation indicators that customers might expect from brand performance. Customers might expect brand to provide functional or other expectation, but that depends on customer's interest. However, all customers might not be able to list out the entire possible brand benefits due to the fact that customers might have little awareness or motivation to do so Joss & Hans (1995). Their brand performance rating is based on the attributes' that they are familiar with or the attributes that customers want to have from the brand.

Performance is how the product or brand carries out the intended purpose or operating character, Gilbert & Carol Surprenant (1982). It is highly influenced by customer expectation. Brand performance is a baseline for comparison with the customer expectation. Brand performance might exceed, meet or be below expectation. The performance criteria are highly based on tangible and intangible brand attributes. Brand specific performance attributes include hardware, software, stylishness or other attributes.

### **Brand Loyalty**

Brand loyalty is where customers will choose their brand time and time again, even if they experience the occasional poor service or if another product comes along that **seems to be better suited to their needs**. To achieve brand loyalty, you need to provide a product that is highly differentiated, with plenty of value added, but also you need to offer them remarkable service at a level they will not get anywhere else. Providing this level of service will ensure that they will never switch. As indicated by (Aaker, 1991, p.39), brand loyalty is "the connection that a client has to a brand". (Yoo & Donthun, 2001) additionally referred to brand loyalty as the propensity to be loyal to a brand and this can be shown by the intention of the consumer to purchase the brand

as an issue decision. Brand loyalty is characterized by (Oliver R.L., 1999, p.34) as "...deeply held duty to re-purchase or re-patronize a preferred product or service reliably later on, in this way brings about repetition of same-brand or same brand set purchasing, despite situational impact and influence marketing having the capacity to cause exchanging habit". (Odin et al., 2001) announced that brand loyalty can either be behavioral or attitudinal. Behavioral loyalty consists of repeated buys of the brand. As indicated by (Dekimpe et al., 1997), one point of interest of this is that it quantifies perceptible practices instead of reported toward oneself affidavit or intention. It is less demanding and less expensive to quantify.

Today marketers are seeking information on how to build brand loyalty. The increased profits from loyalty come from reduced marketing costs, increased sales and reduced operational costs. Furthermore, loyal customers provide strong word -of-mouth, create business referrals, provide references and serve on advisory boards (Bowen and Chen 2001). Hence, customer loyalty has a powerful impact on firm's performance and is considered by many companies an important source of competitive advantage (Lam et al. 2004).

According to Aaker (1991), consumers tend to continue to purchase the same brand despite the demonstrated benefits (including better features, lower price or convenience) by competitors' products. Aaker (1991, p.39) claimed that brand loyalty is the measure of an attachment a customer has for a brand.

### **Media and Branding**

Media, especially the social media, has greatly influenced the relationship between consumers and businesses. They have a large number of connections with the most attention commanded from user base. The connections built in real life by networking have lots of potential (De Chernatony, et al., 2010). Products and services are introduced to consumers meaningfully through a two-way conversation. The social media can be a very important channel of a brand. Feedback on a company's products is easily accessed. Social media users say what the product means to them at that time and so the data collected from such forums is real. This is beneficial in the improvement of strategies for better customer satisfaction. It will enable the business to know and understand the situation on the market for better strategizing (De Chernatony, et al., 2010). The media can, however, be disastrous too. If constant attention is not given to the website or the social media account such that the correct information is posted and customers' questions are answered, it could lead to a loss of customers and a decrease in market share. Sometimes the service provider loses network for a while. Depending on the duration taken, the potential market could be acquired by someone else elsewhere. It is, therefore, sometime risky. With the current technological advances, many people are now hacking into other people's accounts on the social network. The business page could, therefore, be hacked and the information tampered with, which could maybe result in wrong information being fed to customers who might forego any purchasing.

Beer consumption in developing countries is often seen as one revealing (if crude) proxy for gauging the strength of economic activity. If beer sales are high and rising, incomes and economic

activity are presumably growing strongly while the reverse should be true if beer sales are flat or falling (accesses capital rest).

In Ethiopia, growth in beer consumption has been a surprisingly high - 24 percent per year, according to Access Capital estimates, roughly double the average annual growth rate in real GDP. Even after such a rapid increase, however, per capita beer consumption in Ethiopia is still only a fraction of the level seen in other African countries. With estimated consumption of 3.1 million hectoliters and a population of near 80 million, annual beer consumption per head is only around 4 liters.

Trends in beer consumption in developing countries are often taken as one revealing proxy for economic activity. Economic growth, rising incomes, and a growing share of disposable to total income all tend to drive the consumption of beer in developing countries. As statistics for beer production are easily measurable and tend to be well documented by the industry, trends in this area can potentially provide one indicative measure of trends in incomes and economic activity.

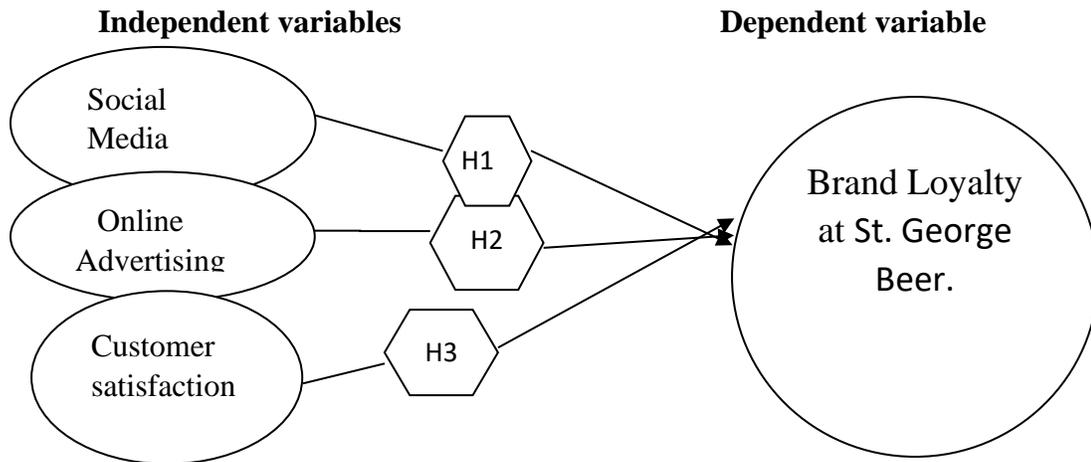
Cross-country data do indeed corroborate the broad relationship between economic activity and beer consumption. In recent years, for example, growth in beer consumption has been a modest 2 percent per annum in most developed markets, but several times that rate in fast-growing developing countries (Global Beer Industry Guide (2009). Beer demand is on the rise particularly in Asia (especially China), Eastern Europe, and rapidly growing African economies. This is propelled by economic recovery, expanding population, rising disposable income, improvement in beer quality, and improving distribution systems. Within Africa, according to Business Monitor International's "Beer in Africa Report 2008", beer consumption has been experiencing impressive growth on the back of foreign investments in new production, rising disposable incomes, and changing consumption patterns. For example, a gradual shift is taking place away from home-brewed beer or other traditional drinks towards commercially produced brews, reflecting aggressive advertising campaigns by major brewers, rising urbanization, and the growing prevalence of drinking as a social activity. Relationship between corporate image and customer loyalty in the digital marketing in Kenya shows that brand image significantly forecasts customer loyalty, Agyei & Kilika (2014).

Investigating antecedents and consequences of brand identification shows that brand identification fully mediates the influences of prestige, satisfaction, and communication on word of mouth and brand repurchase, Sven Kuenzel and Sue Halliday (2008). Examined of several factors that influence brand decisions to stay with or leave their banks in New Zealand suggested that the most important factors for brand visibility is where customer satisfaction, followed by the corporate image, and switching barriers and, nowadays, the digital visibility of a product, Cohen et al, (2006).

### **Conceptual Framework**

This research was primarily explanatory research because it aimed at examining the relationship between brand loyalty as a dependent variable and digital marketing as independent variables. The

finding of this research explains the relation of the independent variable with the dependent variable that makes the research type causal. (See fig.1 below).



**Figure 1: Conceptual Framework of the Studies**

*Source:* Own design, (2022)

The study basically studies the factors affecting brand loyalty with digital marketing. Given that digital marketing has different types, the paper also studies the main digital marketing platforms which are e-commerce, social media marketing, and advertisement and their effect on brand loyalty in the case of St. George Beer. Below is the hypothesis forwarded:

- **H1.** social media marketing activities have a significant positive effect on brand loyalty.
- **H2.** Online advertising has a significant positive effect on brand loyalty.
- **H3.** Customer satisfaction has a significant positive effect on brand loyalty.

### Research Methodology

Research design is a logical and systematic plan prepared for directing research study. For this study, quantitative research approach was employed. It involves collecting and converting data into numerical form so that a statistical calculation was made, and conclusions drawn. The researcher adopted convenience sampling of non-probability technique for the study. Convenient sampling refers to researching subjects of a population that are easily accessible to the researcher; it is affordable, easy, and the subjects are readily available. Sample size of the total number of St. George consumers is infinite. Since the population of the study was infinite, the researcher applied infinite statistical formula in the sampling size estimation. The sample size was determined by using the following formula:

$$n = z^2 P \frac{(1-P)}{e^2}$$

SS= 245.8 Approximately 246 samples were taken.

**Data Analysis, Presentation and Interpretation**  
**Demographic Profile of Respondents**

**Table 1: Demographic Characteristic of Respondents**

Demography characteristic		Frequency	Percent
<b>Gender</b>	Male	153	65.1
	Female	82	34.9
	Total	235	100
<b>Age Groups.</b>	21-30 Years	125	53.2
	31-40 Years	51	21.7
	41-50 Years	24	10.2
	Above 50 Years	35	14.9
	Total	235	100
<b>Marital Status</b>	Married	67	28.5
	Single	88	37.4
	Widowed	39	16.6
	Divorced	41	17.4
	Total	235	100
<b>Employment status</b>	Employed	60	25.5
	Unemployed	93	39.9
	Self Employed	82	34.9
	Total	235	100

*Source:* Own survey (2022)

As shown in the above table, Character of Respondents on Gender, out of 235 participants 153 (65.1%) were males and 82 (34.9%) respondents were female. So, the researcher used both female and male respondents, but male respondents were dominant compared with the females.

According to the table above, respondents with ages of 21-30 were 125 (53.3%), 31-40 were 51 (21.7%), 41-50 were 24 (10.2%), and above 50 were 35 (14.9%). Generally, 21-30 age groups are more compared to other groups,

As it is shown on the table above 88 (37.4%) were single, 67 (28.5%) were married, 39(16.6%) were widowed, and 41(17.4%) were divorced. This shows that the research has addressed all categories of marital status. Among these single respondents are more dominant compared with the others.

Concerning the employment status of respondents, the greater proportion were unemployed 93(39.6%), 82(34.9%) were self-employed, and the rest 60(25.5%) respondents were employed in

both government and non-government organization. Thus, the researcher concluded that unemployed people were the highest users of digital marketing.

**Table 2: VIF Values of Predictors**

Coefficients <sup>a</sup>								
Model		Unstandardized Coefficients		standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	.033	.106		.311	.756		
	social media	.217	.050	.224	4.376	.000	.479	2.087
	customer satisfaction	.151	.034	.197	4.40	.000	.628	1.593
	online advertising	.622	.054	.548	11.571	.000	.561	1.782
a. Dependent Variable: Brand Loyalty								
b. Predictor variables: social media. Customer Satisfaction and online advertising								

Source: SPSS result (2022)

**Table 3: ANOVA (Brand Loyalty)**

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	92.124	3	30.708	187.424	.000 <sup>b</sup>
	Residual	37.848	231	.164		
	Total	129.972	234			
a. Dependent Variable: Brand Loyalty						
b. Predictors: (Constant), online advertising, Customer Satisfaction, social media						

Source: SPSS result (2022)

**Table 4: Correlations Analysis**

<b>Correlations</b>			customer satisfaction	social media	online advertising	Brand loyalty	
-none <sup>a</sup>	customer satisfaction	Correlation	1.000	.594**	.492**	.600**	
		Significance (2-tailed)	.	.000	.000	.000	
		df	0	233	233	233	
	social media	Correlation	.594**	1.000	.649**	.698**	
		Significance (2-tailed)	.000	.	.000	.000	
		df	233	0	233	233	
	online advertising	Correlation	.492**	.649**	1.000	.791**	
		Significance (2-tailed)	.000	.000	.	.000	
		df	233	233	0	233	
	Brand loyalty	Correlation	.600**	.698**	.791**	1.000	
		Significance (2-tailed)	.000	.000	.000	.	
		df	233	233	233	0	
	a. Cells contain zero-order (Pearson) correlations.						

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

*Source:* SPSS result (2022)

AS per the table above, the coefficient shows that the three determinants measuring brand loyalty were all positively related with the brand loyalty within the range of 0.6-0.791; all were significant at p<0.01 level.

The independent variables online advertising and social media showed highest and strong positive relation (0.791, 0.698 respectively), while the other independent variable, customer satisfaction, showed a moderate level of positive relation (i.e., 0.600) with brand loyalty in digital of St. George Brewery company.

The table also showed the correlation of the independent variables within themselves. It can be noted that all variables are positively correlated with each other where the strongest correlation goes to the one between online advertising and social media; weak correlation was seen between online advertising and customer satisfaction.

**Table 5: Model Summary (Brand Loyalty)**

Model Summary <sup>b</sup>					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.842 <sup>a</sup>	.709	.705	.40477	1.880
a. Predictors: (Constant), online advertising, Customer Satisfaction, social media					
b. Dependent Variable: Brand Loyalty					

*Source:* SPSS result (2022)

The other major result under the model summary table showed that the R or coefficient of correlation of the model is 0.842 or 84.2% and Adjusted R-Square or coefficient of determination of the model is 70.5% and  $R^2$  is 0.709(70.9%) which means that the independent variables (Customer Satisfaction, on line advertising and social media) explained the dependent variable of brand loyalty by 70.9%. The following table depicted the analysis's result as follows.

**Table 6: Coefficients (Brand Loyalty)**

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.033	.106		.311	.756
	social media	.217	.050	.224	4.376	.000
	customer satisfaction	.151	.034	.197	4.400	.000
	online advertising	.622	.054	.548	11.571	.000
a. Dependent Variable: Brand Loyalty						
b. Independent Variables: online advertising, Customer Satisfaction, and Social media.						

*Source:* SPSS result (2022)

The above table showed that, all the independent variables have statistically significant relationship with the dependent variables since their p-value is below the alpha level which is 0.05. Considering the standardized beta coefficients, the strongest predictor of the dependent variable (Brand loyalty of customers towards St. George beer product) is **social media** with 0.217 values, **online advertisement** with 0.622 value and **customer satisfaction** with 0.151. Therefore; all the independent variables have positive relationship with the dependent variable.

From the above table the researcher drives the following model:

$$y = \alpha + \beta_1x_1 + \beta_2x_2 + \beta_3x_3 + \mu$$

**It implies that  $BL=0.033+0.622OA+0.217SD+0.151CS+ \mu$**

**BL=brand loyalty, OA= online advertising, SD=social media, CS=Customer Satisfaction (independent variable) and  $\mu$ =error term**

### **Discussion**

The first method is to use the ANOVA test, which yielded a P-value of 0.000, which is less than the alpha threshold of 0.05. That is, the overall independent variables have a statistically significant link with the dependent variables, implying that brand loyalty in St. George beer has a positive relationship with independent variables such as social media, online advertising, and customer Satisfaction.

In this case, the value of R is 0.842, showing that the independent variables as a whole and Brand loyalty have a significant relationship. Last but not least, the adjusted R square (Coefficient of Determination) can be defined as the proportion of total variation or dispersion in Brand loyalty of St. George beer product (dependent variable) explained by variation in independent variables (online advertising, Customer Satisfaction, and social media) in the regression. So, with an adjusted R Square of 0.705, the linear connection with all the independent variables explains 70.5 percent of the variation in Brand loyalty of St. George beer products. When adjusted R square is high, it means that the independent variables play an important role in affecting the dependent variables in the study that it was included.

Generally speaking, the regression model developed under the study was considered as a good fit or predictor of Brand loyalty of St. George beer products from their customers. The Dependent variable is Brand loyalty which can be explained by their respective beta coefficients. The individual effects of the independent variables can be explained by their respective beta coefficients. As per the regression result,

The First variable, customer satisfaction, has the strongest positive relationship. One unit increment in the customer satisfaction level Brand Loyalty increased by 15.5%, other variables remain constant. This finding aligns with Farbod Souri and Samuel H (2017), and Cohen et al. (2006). As a result, customer satisfaction has positively correlated with customer loyalty and has also significantly affected brand loyalty.

The second variable was social media. This factor also has a positive relationship with the Brand loyalty. A magnitude of one unit increases in social media and brand loyalty increased by 21.7% other variables remain constant in St. George beer products of digital marketing. This finding aligns with Kumar et al (2007), Isabel Buil a, Leslie de Chernatony, and Eva Martínez (2003), also got along with that of effect of marketing channels on the brand loyalty of monitor publications limited, that stated on their respective findings that having a well operating social media visibility

have a big effect on the sales along with good mechanics and allow better chances to retain loyal customers than attracting new customer through swift measures.

The Third variable was online advertising. With the corollary of this study, it was 62.2% which means that one unit increased online advertising in digital marketing brand loyalty increased by 62.2%. This finding aligns with Advertising and Promotion Attacks effect on Brand awareness Jan-Benedict E. M. Steenkamp Tilburg University. As a result, Digital marketing and Brand visibility showed a general positive relationship between Digital marketing and Brand loyalty. Therefore, advertising on digital marketing has been a huge impact in alcoholic beverage, particularly St. George beer products.

**Table 7: Hypothesis Test**

	Hypothesis	Independent Variables	Correlati on values	Regression standardized Coefficients. B	Reason	Results
<b>H<sub>1</sub></b>	<b>H<sub>0</sub>.</b> Social media marketing does not contribute significantly on brand loyalty	social media	.698**	0.224	B=0.224 P<0.05	<b>H<sub>0</sub>:</b> Rejected Supports the model.
<b>H<sub>2</sub></b>	<b>H<sub>0</sub>:</b> Online advertising does not contribute significantly on brand loyalty	online advertising	.791**	0.548	B=0.548 P<0.05	<b>H<sub>0</sub>:</b> Rejected Supports the model.
<b>H<sub>3</sub></b>	<b>H<sub>0</sub>:</b> Customer satisfaction does not contribute significantly on brand loyalty.	Customer satisfaction	.600**	0.197	B=0.197 P<0.05	<b>H<sub>0</sub>:</b> Rejected Supports the model.

*Source:* SPSS result (2022)

## Conclusion

In conducting this study, the required data was obtained through structured questionnaires. The instrument (structured questionnaires) was adopted from prior related studies, in order to measure all variables of the study. To check the validity and reliability of the adopted instruments, validity and reliability test was also carried out. To determine the sample size from the total population of the study, the researcher used formula- based-sample size determination. To select respondents, convenience sampling technique was adopted. Basically, a total of 246 questionnaires were distributed to the sampled customers, among these 235 questioners were returned. Thus, 235 returned questionnaires were analyzed using statistical package for social science (SPSS version 20). In the analysis descriptive statistics, correlation analysis and regression analysis were performed.

The study had three specific objectives: these were to test the effect of online advertisement on brand loyalty in St. George Beer S.C; to determine the effect of social media marketing on brand loyalty in St. George Beer S.C.; and to assess the effect of customer satisfaction on brand loyalty in St. George Beer S.C.

After collecting data from St. George beer product consumers due to digital marketing, it was identified those factors of social media, customer satisfaction and online advertisement. The researcher used regression analysis to know and examine the relationship between dependent and independent variables in St. George beer products in digital marketing. Based on the finding the researcher identified personal and social factors that inhibit Brand Loyalty in beverage industries, in general, and particularly St. George beer to use digital marketing.

The relative importance of the factors to determine Brand loyalty of St. George beer was looked at their respective beta coefficients. With beta coefficient of 0.622, online advertisement has the highest effect on the Brand Loyalty. That indicates that, for a one-unit change in online advertisement, there will be 62.2% change in Brand Loyalty. The second determinant factor of Brand Loyalty was social media with beta coefficient of 0.217. It indicated that for one unit change in social media, there will be 21.7% change in brand Loyalty, other things remaining constant. The least effect on Brand Loyalty was customer satisfaction, but it also has positive relationship with Brand Loyalty with beta coefficient of 1.51. For one unit change in customer satisfaction, there will be 15.5% change Brand Loyalty, other things remaining constant.

## Recommendations

- The company should use repeatedly online advertisement so as to lead the market by keeping brand loyalty to its target consumers.
- To sustain competitive advantage, the brewery industry in digital marketing should focus on attracting new segments of the market like the under-age groups by producing non-alcoholic beers.

- For customers to understand the significance of e-marketing and online activities, improving the security of the website would be important. The customers tend towards avoiding risks and security is important in e-commerce and online business transactions and related actions.
- To ensure the customers appreciate the perceived value and encourage towards customer satisfaction and loyalty, it is important for businesses and organization to secure their site.
- Utilization of online advertisement provides feedback; the firm should ensure that the feedback is taken seriously to retain consumers and building the name of the company.

## Reference

- Anselmsson, j., ULF, j., &persson, N. (2007). Understanding price premium for grocery product: a conceptual model of customer-based branding equity. *Journal of product and brand management*, pp 401-414.
- Arens, W. (1996), *Contemporary Advertising*, New York: Irwin, G-12.
- Armstrong, G., &Kotler, P. (2003). *Marketing* (6th ed.). Upper Saddle River, NJ: Pearson Prentice Hall.
- Barber, Nelson, Tim D., and Richard G., (2008). "Capturing the Younger Wine Consumer." *Journal of Wine Research*. 19(2), 123-141.
- Batt, P. J. And Dean, A. (2000), Factors influencing consumers' decision. *Australian and New Zealand Wine Industry Journal*. 15(4), 34-41.
- Bemmar, A. C., &Mouchoux, D., (1991). Measuring the short-term effect of in-store promotion and retail advertising on brand sales: A factorial experiment. *Journal of Marketing Research*, 202-214.
- Berry, L. L., Seiders, K., &Grewal, D. (2002). Understanding Service Convenience. *Journal of Marketing*, 66(3), 1-17.
- Brassington, F., &Pettitt, S. (2005). *Principles of marketing*. FT Prentice Hall.
- Chaudhuri, A., &Ligas, M. (2009). Consequences of Value in Retail Markets. *Journal of Retailing*, 85(3), 406-419.
- Collins, D. C., & Lindley, T. (2003). Store brand and retail differentiation: the influence of store image and store brand attitude on store own brand perceptions. *Journal of retailing and Consumer Services*, 10(6), 345-352.
- Constantinides, E. (2006). The Marketing Mix Revisited: Towards the 21st Century Marketing. *Journal of Marketing Management*, 22(3-4), 407-438.
- Craig, C. S., Ghosh, A., &McLafferty, S. (1984). Models of the Retail Location Process: A Review. *Journal of Retailing*, 60(1), 5.
- Escalas, J. E. (2004). Imagine yourself in the product. *Journal of Advertising*, 33(2), 26-45: Comparing X and millennial consumers. *Journal of consumer Marketing*, 29(2), 103-113.

- Jabir, A., Sanjeev, K., & Janakiraman, M. (2010). Buying behavior of consumers for food products in an emerging economy. *British Food Journal*, 112(2), 109-124.
- Jacoby, J., and Olson, J.C., (1985). *Perceived Quality: How Consumers View Stores and Merchandise*. Lexington, Lexington Books.
- Jaravaza, D. C., & Chitando, P. (2013). The role of store location in influencing customers' store choice. *Journal of Emerging Trends in Economics and Management Sciences*, 4(3), 302307.
- Overby, J. W., Gardial, S. F. and Woodruff, R. B., (2004). French versus America consumers' attachment of value to a product in a common consumption context: a cross – national comparison. *Journal of Academy of Marketing Science*, 32(4), 113-134.
- Pan, Y., & Zinkhan, G. M. (2006). Determinants of retail patronage: A meta-analytical perspective. *Journal of Retailing*, 82(3), 229-243.
- Peter, P. J., & Donnelly, J. H., (2001). *Marketing management: Knowledge and skills* (6th edition). Singapore: McGraw-Hill.
- Peter, P. J., & Olson, J. C., (1999). *Consumer behavior and marketing mix strategy*, (5th edition). Singapore: McGraw-Hill.
- Rundh, B., (2005). The multi-faceted dimension of packaging. *British Food Journal*, 107 (9), 670-684.
- Saunders, M., Lewis, P., & Thornhill, A., (2007). *Research Methods for Business Students*. (4th edition). England: Pearson Education Limited.
- Spinks, A., & Bose, S. (2002). Factors affecting households' seafood purchasing decisions in Auckland, New Zealand: an empirical analysis. *International Journal of Consumer Studies*, 26(1), 62-70.
- Young, S. (2006). Measuring success: Using consumer research to document the value of package design. *Design Management Review*, 17(2), 60-65.