The Role of Marketing Mix Strategies on Brand Loyalty of Cable Products

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ABSTRACT

This study was carried out with the intention of examining the role of the marketing mix on brand loyalty advertising and pricing play in building brand equity. The study focuses on a new cable brand (Belayab Cable) and attempts to find out the role of marketing mix elements on brand loyalty of Belayab Cable products. For this study, an accessible population of 62 Belayab Cable consumers who have used its products at least twice was selected randomly from stratified groups of three types of customers (Contractors, Traders, Electrotechnical Engineers, and Government). A structured questionnaire was used to collect data from respondents by using a self-administered data collection system. In addition to questionnaire, semi-structured interview questions are prepared to get information from the organization which is analyzed qualitatively. The STATA is used to process the primary data which were collected through questionnaire. The findings showed that the role of product quality, price, and availability have a positive and significant role in brand loyalty. On the other hand, the price has no significant role in brand loyalty for the cable of a brand. Therefore, in order to maximize effectiveness of marketing activities and have more loyal customers in cable industry companies should pay more attention to product quality, availability, and promotions.

Key words: Product Quality, Price, Promotion, Brand Loyalty

INTRODUCTION

Today, companies attempt to live in the production line for long time with the help of customer satisfaction and more sale and profit through market researches and identification of customers' needs in the current world of competition. One of the ways of achieving the mentioned objectives is to analyze the concept of marketing mix in any kind of business (Azar et al., 2011). Any sort of marketing has impact on brand loyalty and marketing mix elements are a set of controllable marketing variables in the hands of managers and decision-makers of the company. If the relationships between these elements and brand loyalty and especially its aspects are determined, the decision-makers of the company will easily decide upon how to employ marketing mix elements to gain the highest brand value and stable profit. In order to accomplish these purposes, appropriate marketing mix plays a leading role in implementing the strategies of business marketing (Hosseini and Rezvani, 2009).

According to the challenges of business, organizations attempt to attract new customers and have adopted the strategy of keeping the current customers and inspiring their loyalty. Obviously, this is five times cheaper to keep an old customer than to acquire a new one. Thus, companies which are interested to escalate its customers should shape the value proposition even more carefully and treat their profitable customers' in a better manor (Kotler and Keller, 2011).

In fact, customer satisfaction is not only sufficient rather marketer must attempt to improve and promote their loyalty more and more. In such a paradigm, the objective is to establish long-term relationships with beneficiaries and customers, so that more customers will be kept and fewer will be lost. In this case, market share and organization profitability will be guaranteed (Osman et al, 2009; Yoo and Donthu, 2001).

Since most of the domestic electronics and electricity material markets are at maturity, the competition and costs of attracting new customers are sharply rising. The markets, in this day, are full of products which show no significant physical difference. Therefore, creating an appropriate characteristic through brand will draw a great distinction between products and services. Brands reduce safety and social and financial risks of customers in
buying products. These risks are considered as effective factors in evaluating the product before going to market (Doaei et al., 2011). As a result, the company will succeed in the market and competitive advantage will be gained (Lee and Back, 2010; Low and Bloisb, 2002).

Just like other industries the importance of brand loyalty in cable products is extremely high and the products or services choice of this industry is made through the product brand. The necessity for studying the marketing mix effects on brand loyalty in markets especially for new company is more complexity and require special support services is quite obvious. More attentions must be paid to develop a systematic view on products and brands and it is determined that how pricing decisions, promotion, product qualities and distribution are combined with the product with the help of brand manager, so that brand loyalty is developed and affects the buyer’s decision-making (Karbasi Var et al., 2011).

STATEMENT OF THE PROBLEM

The aim of the marketing mix is to identify the needs of the people and met a way that pleases them and then work to keep them for a lifetime of loyalty to the institution (Ibomendel, 2008). So, companies must focus their attention to the overall marketing mix elements in order to lead a better customer loyalty.

Most of the researches in this regard focused on much broad marketing activities, marketing mix variables like price, distribution, advertising and price promotion as the contributing factors (Yoo et al., 2000). However, no particular study has been done about impact of marketing mix on brand loyalty components on cable industry.

It is difficult to make insightful conclusions without specific researches on the impact of marketing mix on brand loyalty in a cable industry. For new company like Belayab Cable, there is it need to identify, analysis and prioritize allocation of resources among marketing mixes to invest on, in order to achieve good brand loyalty.

In the meantime, with the growth of Ethiopian economy which will provide huge market. Among many market opportunities construction material is one of them. In that regard, in the last fifteen years the Ethiopian construction sector has shown impressive progress. In fact this sector should support by installation products. Mostly, the country brings those installations products from other countries. As a result of highly promising demand for wire and cable products in Ethiopia, cable industry is growing and also attracting new companies. However, there is also stiff competition among existing companies and fight for more market share. To win this objective each company is investing in various marketing activities.

Even though the infancy emerged cable producers companies are making a huge effort on marketing activities, the major challenge is to select the right marketing mix and proper implementation of these programs in order to win the market and build loyal customers for the brand. In this regard, the development of marketing activities in Belayab Cable should primarily focus on building and enhancing brand loyalty. Therefore, this study tried investigate effect of marketing activities on brand loyalty.

BASIC RESEARCH QUESTION

In order to achieve the research purposes and look into the issues mentioned in the statement of the problem, the study will pose the following research questions.

- What is the role of perceive product quality on brand loyalty?
- What is the impact of pricing tactics on brand loyalty?
- What the types of relationship exist between product availability on brand loyalty?
- What is the starring role of companies integrated marketing communication programs in building brand loyalty?

RESEARCH METHODOLOGY

Research Design

A research design refers to a complete plan for a data collection in an empirical research project. It is a “blueprint” for empirical research aimed at answering specific research questions or testing proposed hypothesis (Bhattacherjee, 2012). The study employed survey strategy because there is a wide scope of competencies to be evaluated in this research, so survey strategic questionnaire would enable more expedient data collection. This will then determine a shorter interaction time, which in turn is aimed at attracting a wider sample group.

Sampling Technique and Sampling size

Due to the entire population are finite, two stage proportion sample size determination technique had been used. Contractors, Government project and Traders that bought cable product from Belayab cable at least three times are considering to the study population. Primarily stratified sampling technique is used to categorize three types of customers; second random sampling technique was implemented and selected the respondents from stratified group. The ever increasing need for a representative statistical sample in empirical research has created the demand for an effective method of determining sample size. Since number of customers in Addis Ababa (no of population) is finite, Krejice and Morgan (1970) is more suitable to determine number of customer that will be taken as a representative for population size. As per krejice and Morgan the required sample size for 110 populations is 86.
Methods and Tools of Data Collection

The primary data was collected using structured questionnaire because first, this method is easy to standardize and produce results that are easy to summarize, compare and generalize. Second it is easy to predetermined response categories. Third, it contributes to reliability by promoting greater consistency; since every respondent will be asked the same questions.

Methods of Data Analysis

Descriptive statistic such as mean, percentages and frequency distributions, were prepared before a deeper analysis of data. Factor analysis was also carried out determine the significant brand loyalty predictor statements under the four marketing mix dimensions (Product, price, promotion and availability/place) And to determine the relationship among the variables, both the dependent and independent, and to test the research hypothesis correlation and regression analysis were used by meeting the ordinary least square (OLS) assumptions of the linear regression.

Model specification

The following model is formulated for this research in order to give right answer for the issued hypothesis. The independent variables included in the model are price (\( x_1 \)), product (\( x_2 \)), promotion (\( x_3 \)), and market availability (\( x_4 \)). However, the dependent variable is brand loyalty (\( Y \)).

The following regression model was used to indicate how the dependent variable predicted by the independent variables.

\[
Y_i = \alpha + \beta_1 x_{1i} + \beta_2 x_{2i} + \beta_3 x_{3i} + \beta_4 x_{4i} + \epsilon_i
\]

Where the variables are defined as:

\( Y_i \) = Brand loyalty
\( \alpha \) = Constant term
\( \beta_i \) = Coefficients
\( x_{1i} \) = Price
\( x_{2i} \) = Product
\( x_{3i} \) = Promotion
\( x_{4i} \) = Market availability
\( \epsilon_i \) = Error term

Under the assumptions of:

- \( \epsilon_i \sim N(0, 1) \) mean zero and variance 1
- Linear relationship between outcomes (\( y \)) and explanatory variable (\( x \))
- Outcome variable (\( y \)) should be Normally distributed for each value of explanatory variable (\( x \))
- Standard deviation of \( y \) should be approximately the same for each value of \( x \)
- Fixed independent observations
- The observations (explanatory variables) should be independent

RESULT OF THE STUDY

Descriptive analysis was used to present the data collected in relation to the respondents profile for more clarification. It is mainly important to make some general overview about the collected data. The respondents profile used in this research are gender, age, and level of education, business the respondents engaged in and the length of relationship of the respondents with the company.

Business type participants

Basically cable factories deal with business men and government projects, rarely with individual new building makers. The quantity, frequency and being loyal for the brand is greatly affected by the type of customers business engaged in.

Accordingly, the respondents professional status is describe in the graph below 26 (41.94%) of the respondents are contractors which are came to the company only when there are projects on their hand and order large quantity of products at once. Trader that has 24 (38.71%) among the total respondent buy the products more frequently with less amount when compare to contractors. Moreover, 7 (11.29%) and 5 (8.0.6%) respondents are government projects and electro mechanical engineers respectively. This implies that the majority of the customers are contractors and traders (Fig 1).

![Figure 1: Legal business type the study participants engaged in](image)

Contributing factor of brand loyalty

This section presents the psychometric properties of the research instrument used and also the respondents’ perception on the impact of marketing mix activities of Belayab Cable on brand’s loyalty.
Psychometric Properties and marketing mix variables and customer loyalty

In order to ensure the appropriateness of the testing instruments for factor analysis Kaiser-Meyer-Olkin and Bartlett’s Test of Sphericity was employed. The values of the KMO values found in the following table indicated that the rules of factor analysis weren’t violated. All factors in each unifactorial test are more than 70% of the variance of the respective variable sets. This suggests that only a small amount of the total variance for each group of variables is associated with causes other than the factor itself, and the Bartlett tests of sphericity was significant at p < 0.05, thus, indicating that the sample was appropriate for factor analysis (see table 1).

Table 1: Kaiser-Meyer-Olkin and the Bartlett’s Test of Sphericity

| Variables                  | Kaiser-Meyer-Olkin Values | Bartlett’s Test of Sphericity |
|----------------------------|---------------------------|-------------------------------|
|                            | Approx. Chi-Square df Sig |                               |
| Product                    | 72                        | 2,140.21                       |
| Price                      | 87                        | 436.145                        |
| Availability               | 90                        | 786.251                        |
| Communication              | 78                        | 345.05                         |
| Customer brand loyalty     | 89                        | 217/091                        |

Reliability test and factor analysis results of marketing mix strategies on brand loyalty

Factor analysis was applied to 23 statements used in order to determine the data reliability of data instruments designed to assess the effect of marketing mix on brand loyalty using a 5-point Likert scale. Factor analysis and reliability analysis were used in order to determine the data reliability for the marketing mix, and brand loyalty. The suitability of factor analysis was determined by correlation and alpha reliability. The criteria for the number of extracted factors were based on the characteristic value, variance percentage, factor importance and factor structure. Significant factors were considered to be those with characteristic value equalling or exceeding one. All factors less than 1 should be disregarded as a value less than 1 will be considered insignificant. The result amounting to at least 45 per cent of the total cumulative variance was considered a satisfactory solution. It is considered that a variable has practical importance and that it can be included in a factor when its correlation degree equals or exceeds 0.50 (Nunnally, 1967). However, 6 statements are deleted from the expectations scale because their factor loadings are less than 0.50. The reliability values were all above 0.6. Thus it can be concluded that the measures used in this study are valid and reliable. The results of the factor analysis and reliability tests are presented in Table 2 shown below.

Table 2: Factor analysis and reliability tests of the marketing mix elements and brand loyalty

| Factors and statements                                                                 | Factor loading | Mean | Eigen value | Cronbach's Alpha | Cumulative variance explained |
|----------------------------------------------------------------------------------------|----------------|------|-------------|------------------|-----------------------------|
| Product Quality                                                                        | 3.10           | 2.34 | 0.873       | 22.501           |                             |
| Compared to other brands Belayab Cable products are high quality                        | 0.68           |      |             |                  |                             |
| The likelihood that Belayab cable products reliable are very high.                      | 0.654          |      |             |                  |                             |
| Belayab Cable products would be very good quality                                       | 0.712          |      |             |                  |                             |
| Price                                                                                  | 2.68           | 2.67 | 0.6857      | 26.710           |                             |
| The prices of Belayab Cable products are proportional to its perceve value.             | 0.751          |      |             |                  |                             |
| The prices of Belayab Cable products are don’t fluctuate.                               | 0.645          |      |             |                  |                             |
| The prices of the products encourage me to be loyal for the brand.                      | 0.730          |      |             |                  |                             |
| Promotion                                                                              | 3.21           | 2.58 | .651        | 22.144           |                             |
| The promotion strategy for Belayab Cable is seems effective, compared to promotion of competing brands | 0.582          |      |             |                  |                             |
| Promotion campaign of Belayab Cable is seen frequently and makes me to aware about the company. | 0.746          |      |             |                  |                             |
| Promotion strategy of the company changes my perception about the company positively.   | 0.759          |      |             |                  |                             |
| Promotion campaigns of the company of encourage me to be loyal for the brand.           | 0.665          |      |             |                  |                             |
| Availability                                                                            | 3.37           | 1.86 | 0.56        | 19.76            |                             |
| Belayab Cable products are easily available in different variety and quantity than competitor brands. | .652           |      |             |                  |                             |
| Belayab Cable products are available in all shops than its competitors                   | 0.598          |      |             |                  |                             |
| Brand loyalty                                                                          | 3.01           | 1.345| 0.608       | 35.276           |                             |
| Based on my experience with Belayab cable, I would by the product again.                | 0.854          |      |             |                  |                             |
| Belayab Cable products would be my first choice.                                        | 0.562          |      |             |                  |                             |
| I would recommend this brand for other people to buy.                                   | 0.764          |      |             |                  |                             |
| I will not buy other brands if Belayab Cable products are available at the store.       | 0.685          |      |             |                  |                             |
| Overall I am satisfied with the amount of contact I have with Belayab Cable.             | 0.764          |      |             |                  |                             |
Assessment of ordinary least square assumptions under regression analysis Approach

Tests of omitted variables
A model specification error can occur when one or more relevant variables are omitted from the model or one or more irrelevant variables are included in the model. It may occur in the formation of conceptual framework. If the framework wrongly designed misspecification problem can be occurred. The omission of relevant variable from the model would lead the common variance they share with included variables may be wrongly attributed to those variables, and the error term is inflated. Therefore, model specification errors can substantially affect the estimate of regression coefficients.

Taking the above consideration into account, this study primarily check whether the model specification problem obvious or not in the formulated model. As the result, the significant value (0.05) is smaller than the p-value (0.0836). So, accepting the hypotheses which stated that the model has no omitted variables; thus, the formulated model is specified correctly (Table 3).

Table 3 Ramsey RESET test using powers of the fitted values of Brand loyalty

| Ho: model has no omitted variables | F(3, 54) = 2.34 | Prob > F = 0.0836 |

Detecting of Outliers
Outliers are extreme values which capable to interrupt the actual model. If it is exist before giving a decision based on the model, the researcher should adjust the problem by using different statistical techniques such as elimination, substitution by average, forecasting, interpolation etc. Its existence would influence the coefficient to illustrate unexpected result.

To handle this problem researchers use different techniques like Cook’s distance, leverage value, graphical presentation etc. In the case of this study the researcher use a scattered graph of residual versus fitted value. As shown in the graph below (Fig. 2) almost all of the data lay between 0.4 and -0.4 level of error. If more data exist out of this range, the expected model would suffer with extreme value. But, fortunately in this study findings almost all the data found within the given range territory. So, more disparities were not dictated. Therefore, the distribution is free from outliers’ problem.

Assessment of normality

The explanatory variables of this study include price (x1i), product (x2i), promotion (x3i) and availability (x4i). However, the dependent variable is brand loyalty towards the Belayab Cable Manufacturing Company (Yi). Table 4 contains the normality test for all of the independent variables. The test of normality is done by Kolmogorov-Smirnov and Shapiro-Wilks tests. According to Field (2009), the test is significant if p > 0.05. That is, if the significant value of the distribution (0.05) above the threshold of the probabilistic result, the researcher has full evidence to conclude that the distribution is normal.

For the tests on samples from 3 to 2000 Shapiro-Wilks test is recommended, whereas, if the sample (n) above 2000, Kolmogorov-Smirnov is suggested. Thus, the Shapiro-Wilks normality test was used for this research.

Accordingly, as the result illustrated, the p-value are considerably higher in all cases than of the significant threshold (0.05). Therefore, the entire independent variables are normally distributed with mean μ and variance σ^2 (Table 4).

Table 4: Shapiro-Wilk W test for normal data

| Variable | Obs | W   | V    | Z    | Prob>|z |
|----------|-----|-----|------|------|------|
| Price    | 62  | 0.97176 | 1.576 | 0.982 | 0.16295 |
| Products | 62  | 0.93063 | 3.871 | 2.923 | 0.0713 |
| Promotion| 62  | 0.98673 | 0.740 | -0.649 | 0.74181 |
| Availability | 62  | 0.97534 | 1.376 | 0.690 | 0.24520 |

Test of multi-collinearity
Multi-collinearity exists when there are strong correlations among the independent variables. If the tolerance value below 0.10 or the variance inflation factor (VIF) greater than 10, multi-collinearity problem would be a serious for the distribution. Tolerance is a test statistics used to indicate the variability of the specified independent variable whether explained by other independent variables in the model or not.

As the study result illustrated, the entire variables tolerance are greater than 0.10 and the VIF value less than...
10. So, there is no multi-collinearity problem that alters the analysis of the regression model.

**Relationship between dependent and independent variables**

A correlation analysis was used to examine the linear relationships between independent variables, price (\(x_{1i}\)), product (\(x_{2i}\)), promotion (\(x_{3i}\)), availability (\(x_{4i}\)) and the dependent variable brand loyalty (\(Y_i\)). Table 5 indicates the correlations between explanatory and dependent variables.

Table 5: The correlations matrix among project success and the allocated factors

|                  | \(Y_i\) | \(x_{1i}\) | \(x_{2i}\) | \(x_{3i}\) | \(x_{4i}\) |
|------------------|---------|------------|------------|------------|------------|
| Brand loyalty (\(Y_i\)) | Pearson Correlation | 1          | 0.160      | 0.541*     | 0.718*     | 0.700*     |
|                  | Sig. (2-tailed)     | 0.2151     | 0.000      | 0.000      | 0.000      |
| Price (\(x_{1i}\))   | Pearson Correlation | 1          | 0.228      | -0.092     | 0.286*     |
|                  | Sig. (2-tailed)     | 0.074      | 0.478      | 0.024      |
| Products (\(x_{2i}\)) | Pearson Correlation | 1          | 0.417*     | 0.228      |
|                  | Sig. (2-tailed)     | 0.001      | 0.074      |
| Promotion (\(x_{3i}\)) | Pearson Correlation | 1          | 0.655*     |
|                  | Sig. (2-tailed)     | 0.000      |
| Availability (\(x_{4i}\)) | Pearson Correlation | 1          |

*Correlation is significant at the 0.01 level

**Normality of the Error Term**

The other assumption should considered in OLS is the error term should be normally distributed with a mean of zero and variance one. This test can be done by using Shapiro-Wilk normality test after predicting the residual automatically regress the model. As a result indicates the assumption is achieved, because the significant value (0.05) is lower than that of the probability value 0.563. Therefore, the assumption meets the target, so, the distribution of the random error term is standardized normal (Table 6).

Table 6: Normality test for the error term

| Variable | Obs | W    | V    | Z     | Prob>z |
|----------|-----|------|------|-------|--------|
| E        | 62  | 0.98335 | 0.929 | -0.159 | 0.56310 |

**Test of Heteroscedasticity**

It is a test to check whether error terms variance is constant (Hemoscedasticity) or not (Heteroscedasticity). If variance of the disturbance term is constant this is called Hemoscedasticity. If the disturbance term (error) does not have constant variance; they are said to Heteroscedasticity (Gujarat, 2003).

Among the statistical tests for Heteroscedasticity, the most popular method, a Breusch-Pagan / Cook-Weisberg test has to be made with the null hypothesis stated that the error variances are all equal, whereas, the alternative one stated that the error variance are a multiplicative function of one or more variables.

Basically, the test helps to identify important factors, which capable to affect the dependent variable. Therefore, the results of correlation analysis show that the entire explanatory variables except price are linearly associated with brand loyalty with a 0.01 level of significance. Moreover, those variables develop a strong positive association with the dependent variable (brand loyalty), because the correlation coefficients of the selected explanatory variables are higher than 0.5.

According to this study result Chi-squared of the p-value higher than the significant threshold (0.05). Therefore, the null hypothesis is accepted and concludes that the variances are constant, i.e., the distribution of the error term not varied with the explanatory variables or the error is constant Hemoscedasticity (Table 7).

Table 7: Breusch-Pagan / Cook-Weisberg test for heteroscedasticity

| Variables: fitted values of Brand loyalty | chi2(1) = 1.93 |
|------------------------------------------|----------------|
| Prob > chi2 = 0.1646                     |                |

**RESULT OF REGRESSION ANALYSIS ON MARKETING MIX STRATEGIES**

Regression analysis was conducted to examine strengthen of a relationships between the dependent and independent variables. A regression model was formulated and tested to understand by how much each independent variable: price, quality, promotion, and availability explains the dependent variable product loyalty.

Before giving analytical explanation based on the model, some additional diagnostic tests should be checked like, goons of fit test which is handled by ANOVA. As the result illustrated in the table below, the F-test of the p-value is 0.000 and the significant value is 0.05. Hence, the significance (sig.) value is greater than that of the p-value; so the model is fitted or good. Having this in mind, the next question which follows is how
much is the model good. The answer is given by R square (R²). This test measures how much of the variation in the dependent variable, brand loyalty, identified by the regressors. The larger the value of R square, the better it fits.

In fact, table 8 displays R square and adjusted R square with the standard error of R. R squared is ranged from 0 to 1. Small values indicate that the explainable level of the independent variables to determine the dependent variable is weak. The sample R squared tends to optimistically estimate how well the models fit for the population. Both R squared and adjusted R square somehow has the same meaning and purpose. But, adjusted R square is applicable for the small numbers of observation (n<30) and numbers of variables. So, in the case of this study, the researcher used the adjusted R square, because the numbers of variables involved in the study were few. In that regard, the adjusted R square value in this case was 0.6643. This shows that 66.43% of the variation or changes in brand loyalty can be accounted by the cumulative effect of the four independent variables; whereas, the rest 33.57% of the variation can cover by other unknown variable which is not included in the study.

The other expected misspecification problem can be handled by the t-test statistics. That is, the researcher checked whether all the independent factors are important to determine the model or not, by using t-test statistics. If the p-value is lesser than the sig value (0.05), the factor/s are important to determine the model otherwise the factor should be rejected from the model. According to this study result all the independent variables except price are important to determine the dependent correspondence.

The sign of the beta coefficient also shows the +ve or –ve effect of the independent variables over the dependent one. From the result revealed in the table 8 below, all the significant explanatory variables (product, promotion and availability) are positive. That means any increase or decrease in the independent variables lead to increase or decrease in the dependent variable.

Table 8: Regression Model Summary

| Source      | SS         | df | MS       | Number of obs | = 62 |
|-------------|------------|----|----------|---------------|------|
| Model       | 4.07478621 | 4  | 1.01869655 | Prob > F       | = 0.0000 |
| Residual    | 1.86248958 | 57 | 0.03267526 | R-squared     | = 0.6863 |
| Total       | 5.93727579 | 61 | 0.09733239 | Adj R-squared | = 0.6643 |
| Brand_loya-y | Coef.      | Std. Err. | T       | P>t [95% Conf. Interval] | Root MSE | = 0.18076 |
| Price       | -.0032017  | .0493974 | -.06   | 0.949 | -.1021184 | .095715 |
| Products    | .3281515   | .0908986 | 3.61  | 0.001* | .1461301 | .5101728 |
| Promotion   | .1006702   | .0396338 | 2.54  | 0.014* | .021305  | .1800355 |
| Availability| .2038087   | .0547374 | 3.72  | 0.000* | .094199  | .3134184 |
| _cons       | 1.387257   | .3075488 | 4.51  | 0.000* | .7714011 | 2.003113 |

Dependent variable: Brand loyalty (Y_i)
* Regression is significant at the 0.05 level

RESULTS DISCUSSION

This research is concerned in the role of marketing mix in brand loyalty for new company in the case of Belayab Cable. The objective of the study is to find out the role of marketing mix on building brand loyalty of Belayab Cable plc. Demographic factors such as gender, age, level of education, and length of customers’ relationship with industry have been taken into account to learn the general characteristics of the respondents. When the researcher took the respondent randomly, the majority of the respondents were male. In terms of age, most of the respondents are above 51 years of age. Those who are between 26-50 are constituted 51.62%. With regard to the level of education, 50.0% of the respondents are completed high school while the 30.65% got diplomas. The respondents with degree and above accounted for 16.13%.

Product quality is the 1st independent variable that tested its relation with brand loyalty. The result indicated the quality of products that produced by Belayab cable have significant and positive effect on customers to being loyalty for the brand. This finding is strongly supported by Mula et al. (2016) findings “product quality is highly correlated with attitude-based brand loyalty and has positive and highly significant relationship.” The result of this study opposed to what Wong and Sidek (2008) findings; their study found out that price and brand loyalty had a positive relationship. Besides, Sirohi et al. (1998) indicated that price had directly correlated to loyalty. Product distribution also tested in the regression analysis. As the result indicated, those two factors positively associated to each other. As stated by Kim and Hyun, (2011), distribution strength affect positively has brand loyalty for company products as high distribution intensity expands the probability of buying a brand wherever and whenever consumers want. Specifically, since the increase in distribution intensity reduces consumer efforts for finding and acquiring a brand, consumers are likely to perceive it
more valuable which in turn increases consumer satisfaction and brand loyalty. The last factor included in the regression analysis is whether promotion of products have significant role on brand loyalty or not. As the analysis result clearly indicated of course promotions has statically significant contribution and positive relation with brand loyalty of the company. The result is similar with Charanah and Njuguna (2015) result. Their study indicated promotional activities have the ability of changing the favorability and strength of a brand according to the different dimensions of brand equity.

CONCLUSION

This study has attempted to examine the role of marketing mix on brand loyalty for new company in the context of Belayab Cable. In order to do so, an attempt was made to examine the role of each marketing mix on brand loyalty of Belayab Cable customers. The study was conducted by blending the two research approaches, qualitative and quantitative approaches, so as to fill the gap that might have happened if only one of the approaches were used. Data were gathered, analyzed and interpreted to enable conclusions to be drawn out of the findings of the study. The study also examined the marketing efforts of Belayab cable through the eyes of the customers and internal marketing staffs. According to the findings, except the price all the examined marketing mixes products have significant role on creating brand loyalty in case of Belayab Cable. The role of product quality was found to have the largest positive impact on brand loyalty, this result is expected, because cable products are used for electrical power transmission purpose, so the financial risk and life risks that come from cable quality defect would very high. It also assured by the interview that the company does’t compromise on the product qualities and before delivered to customers every product’s quality checked by quality assurance. The study also found a significant positive role of product availability to being loyal for the brand. But the contribution of product availability for brand loyalty is not impactful as products quality. The study also found support for the hypothesis promotion has a positive and significant role on brand loyalty. This is especially true for Belayab Cable as it is a new brand cable. However, the success of the brand building effort depends on how strong the perceived quality, brand association and brand loyalty consumers have for the brand, promotion plays a huge role in first raise the awareness of consumers about the existence of the brand. As could be learnt from the data gathered from the in Belayab cable, in addition to marketing mix, the company also exercises other marketing activities that can have great role on creating brand loyalty like freebies, satisfaction survey, holyday wish message and gifts and complaints handling.

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Author Contributions

Tizitaye Woldemariam performed the study and wrote the main text and she is principal investigator. Yibeltal Nigussie Ayale provided instruction and comments and involved in the formulation of research design, approach, and analysis of the paper.