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## APPROVAL FORM

The undersigned do acknowledge that the below mentioned student has consulted me for supervision of his research until completion. I therefore recommend his work to be submitted for assessment. The dissertation is entitled:

Impact of Brand Equity on Company Performance, Case of Tristar Insurance Company.

The dissertation was submitted by Lancelot Waison (R11797Z) in partial fulfilment of the requirements of Bachelor of Commerce Honours Degree in Retail Management.

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**Date**...../...../.....

**Chairperson's Signature**.....

**Date**...../...../.....

## **DEDICATION**

This work is dedicated to my family, and friends for their support and encouragement.

## **ACKNOWLEDGEMENTS**

Firstly I would like to thank God for the wisdom at work in my life. I would also like to thank my supervisor Mrs. B. Marufu for her guidance and patience throughout the course of this research. I would also like to acknowledge Mr. Innocent Tinarwo and all other Tristar Insurance Company employees for their support. I say thank you to Tristar Insurance customers for their participation and valuable contribution during the data collection process of this study. Many thanks go to my friends Rumbidzai, Benjamin, Wiseman, Cynthia and others for their valuable work and relevant suggestions during this research. Finally, I would like to thank my family specially mentioning Mrs. H.S Waison for the encouragement and financial support to the success of this paper.

## **ABSTRACT**

This study is an investigation of the impact of brand equity on company performance a case of Tristar Insurance Company. The company is facing a lot of challenges given the fact that its clientele mainly comprised of corporate customers who are struggling under the current economic conditions. Also competition is intensifying in the industry. Tristar Insurance Company is now turning its focus on individual customers. The study focuses on examining whether the strengthening of Tristar Insurance's brand equity will improve the performance of the company. The objectives of the study were to identify the relationship between brand awareness and sales volume, to analyse the impact of brand loyalty on market share growth and to investigate the impact of brand associations in creating a competitive advantage. The research was carried out at Tristar Insurance Gweru Branch. The research also reviewed literature focusing on three dimensions of brand equity namely brand awareness, brand loyalty and brand associations. The research used the descriptive research design. The target population was 146. The sample size was 100 and it consisted of 90 customers and 10 employees. Interviews and questionnaires were the data collection methods which were used. Interviews were meant for Tristar Insurance Company employees and questionnaires were for customers. Data was presented on table, pie charts and graphs. It was found in the research that Tristar Insurance Company is not sufficiently investing in the improvement of brand equity. The findings highlighted that Tristar Insurance brand is not being advertised sufficiently. Brand awareness has an effect on customer's purchase decisions. The brand is also worthy to recommend someone. Also Tristar Insurance customers are highly enjoying brand benefits and brand attributes. This research went on to conclude that there is a relationship between brand awareness and sales revenue. Brand loyalty has an impact on market share growth. Also positive brand associations give the company a competitive advantage. Therefore, Tristar Insurance Company was recommended to invest in promoting its brand awareness, upgrading its customer relationship management system to enhance brand loyalty and to form positive brand associations that give customers a positive perception towards the brand. The research has concluded that Tristar Insurance Company must strengthen its brand equity in order to enhance its performance.

## **Table of Contents**

RELEASE FORM .....	i
APPROVAL FORM .....	ii
DEDICATION .....	iii
ACKNOWLEDGEMENTS .....	iv
LIST OF TABLES .....	ix
LIST OF FIGURES .....	x
CHAPTER ONE .....	1
GENERAL INTRODUCTION.....	1
1.0 Introduction .....	1
1.1 Background of the Study.....	1
1.2 Statement of the problem.....	4
1.3 Objective of the study .....	4
1.4 Hypothesis .....	4
1.5 Significance of the study .....	5
1.6 Delimitations .....	5
1.7 Assumptions .....	6
1.8 Limitations.....	6
1.9 Definition of key terms.....	6
Summary.....	7
CHAPTER TWO.....	8
LITERATURE REVIEW .....	8
2.0 Introduction .....	8
2.1 The Relationship between Brand Awareness and Sales Volume .....	9
2.2 Impact of Brand Loyalty on Market Share Growth .....	15
2.3 Impact of Brand Association in Creating a Competitive Advantage .....	21
Summary.....	27
CHAPTER THREE .....	28
RESEARCH METHODOLOGY .....	28
3.0 Introduction .....	28
3.1 Research Design .....	28

3.2 Target Population.....	28
3.3 Sampling.....	29
3.3.1 Stratified random sampling .....	29
3.3.2 Convenience Sampling .....	30
3.3.3 Purposive/ Judgemental Sampling.....	30
3.4 Sample Size .....	30
3.4 Sources of Data .....	31
3.4.1 Secondary Sources .....	31
3.4.2 Primary Sources .....	31
3.5 Research Instruments .....	32
3.5.1 Questionnaires.....	32
3.5.2 Interviews.....	32
3.6 Data Presentation .....	33
3.6.1 Tables.....	33
3.6.2 Graphs and Pie Charts .....	33
3.7 Data Analysis Techniques.....	33
3.7.1 Research Hypothesis.....	33
3.7.2 Chi-square .....	34
3.7.3 Deductive Analysis .....	34
3.8 Reliability and Validity .....	34
Summary.....	35
CHAPTER FOUR.....	36
DATA PRESENTATION, ANALYSIS AND INTERPRETATION OF FINDINGS.....	36
4.0 Introduction .....	36
4.1 Response Rate .....	36
4.2 The Relationship Between Brand Awareness and Sales .....	37
4.2.1 Customers and Brand Awareness .....	37
4.2.2 Customer Exposure to Tristar Insurance Brand.....	39
4.2.3 Brand Awareness and Purchase Decisions.....	40
4.3 Impact of Brand Loyalty on Market Share.....	43
4.3.1 The Brand Meets Personal Needs.....	43
4.3.2 The Brand is Worth to Recommend Someone. ....	44
4.3.3 Likelihood of Customers Switching to other Brands.....	45

4.4 Impact of Brand Associations in Creating a Competitive Advantage. ....	47
4.4.1 Consistent Assurance of Tristar Insurance Brand.....	47
4.4.2 Customer Perceptions on Tristar Insurance Brand .....	48
4.4.3 Customers Enjoying the Brand .....	50
Summary.....	52
CHAPTER FIVE .....	53
SUMMARY, CONCLUSIONS AND RECOMMENDATIONS .....	53
5.1 Summary.....	53
5.1.1 Relationship between Brand Awareness and Sales. ....	53
5.1.2 Impact of Brand Loyalty on Market Share Growth .....	53
5.1.3 Impact of Brand Associations in Creating a Competitive Advantage .....	54
5.2 Conclusions .....	54
5.2.1 Relationship between Brand Awareness and Sales. ....	54
5.2.2 Impact of Brand Loyalty on Market Share Growth .....	55
5.2.3 Impact of Brand Associations in Creating a Competitive Advantage .....	56
5.3 Recommendations .....	56
5.3.1 Brand Awareness and Sales Volume .....	56
5.3.2 Brand Loyalty and Market Share Growth .....	57
5.3.3 Brand Associations as a Competitive Advantage. ....	58
5.4 Recommendations for Further Research .....	58
REFERENCES.....	59
APPENDIX ONE .....	64
INTERVIEW GUIDE FOR EMPLOYEES .....	64
APPENDIX TWO.....	65
QUESTIONNAIR FOR CUSTOMERS.....	65
APPENDIX THREE .....	67
APPROVAL LETTER FROM TRISTAR INSURANCE .....	67



## LIST OF TABLES

1.1 Percentage Contribution of Portfolios .....	2
3.1 Sample Size Composition .....	21
4.1 Response Rate .....	36
4.2 How Customers get to know about the brand? .....	38
4.3 Being aware of the brand have motivated me to favor it when making a purchase. ....	41
4.4 Calculation of $\chi^2$ .....	42
4.5 How likely are you to switch to other brands? .....	45
4.6 Calculation of $\chi^2$ .....	47
4.7 What makes the brand enjoyable? .....	50
4.8 Calculation of $\chi^2$ .....	51

## LIST OF FIGURES

2.1 Brand Awareness Pyramid .....	11
4.1 I hear about the brand more often .....	40
4.2 The brand meets my personal needs .....	43
4.3 The brand is worth to recommend someone .....	44
4.4 What is the assurance that is consistent with the brand? .....	48
4.5 What are your perceptions on the brand? .....	49

## **CHAPTER ONE**

### **GENERAL INTRODUCTION**

#### **1.0 Introduction**

In this highly competitive environment, brands have become important and highly valued assets to organisations. People no longer go for products or services rather they now go for brands. Therefore it is critical for companies to research more on the impact of brand equity on company performance. This chapter highlights the background of the study, statement of the problem, research objectives, research hypothesis, and significance of the study, assumptions, delimitations, limitations, definition of terms and the chapter summary.

#### **1.1 Background of the Study**

Tristar Insurance Company is a subsidiary of First Mutual Holdings. It is a direct result of a strategic partnership with Trust Holdings and Beverly Building Society. The vision of the three shareholders is that Tristar Insurance should be the leading provider of corporate risk solutions. Tristar Insurance opened its doors on the 1st of December 2002. Tristar insurance offers short-term insurance cover ([www.tristarinsurance.co.zw](http://www.tristarinsurance.co.zw)).

According to the Insurance and Pensions Commission (Ipec), Zimbabwe still has a very low insurance penetration rate below 5%. A number of insurance companies are currently seized with changing public perception about insurance, policies offered and their terms after most policyholders lost their contributions due to hyperinflation and the adoption of the multi-currency regime in 2009 (Chimhangwa; 2013). There is wrong perception towards short term insurance in the society. The Zimbabwe's Insurance sector is facing a lot of challenges especially in the short-term insurance. There are price struggles where some small new players are charging lower than the industry's stipulated rates. This is brooding unfair competition in the industry. There is need for players in the sector to establish themselves in as far as their brands are concerned.

Tristar Insurance is the only insurer in Zimbabwe offering ;weather index insurance, wildlife insurance ,aquaculture insurance ( including: bungee jumping, elephant ridding, tour operators liability and event insurance for example event cancellation etc.), and also provides unique personal accidents covers (including kidnap risk, ransom payments , war and civil accommodation) and business risk for foreign direct investments such as war, change of government ,expropriation including consequential loss there from. Tristar Insurance is also among a few elite players offering international travel insurance. They have a very firm financial base and has just capitalized to a tune of \$6 000 000.00.

Initially Tristar Insurance mainly focused on corporate customers and they have been good at that. With the current state of the economy where companies are struggling and some are even shutting down, this is now forcing Tristar Insurance to broaden their nets to what was formally their inferior market which are individual customers. To get a ground in this market there is need for Tristar Insurance to build a name. There is need for the organisation to strengthen their brand.

**Table 1.1 Percentage Contributions of Portfolios**

	2006	2012
Corporate Portfolios	80%	55%
Individual Portfolios	20%	45%

Source: Company Documents (2013)

The data presented in the table above shows the percentage of portfolios in terms of value. In 2006 corporate portfolios constituted 80% of all the portfolios held by the company. In 2012 the value had dropped to 55% due to the poor performance of companies in the economy. There is no much change in terms of the exact contribution of individual customers. It is just that corporate portfolio values are

falling against an almost constant individual portfolio value hence the increase in the overall contribution value of individual portfolios. The increases in terms of the quantities of individual portfolios are significantly showing in motor insurance.

The above statistics clearly indicate why there is need for Tristar Insurance Company to intensify their marketing efforts towards individual customers. This can be highly complemented by the strengthening of their brand equity. This gives meaning to their marketing efforts and contributes greatly to the success of the entire organisation.

Competition in the Zimbabwe's insurance industry is increasing. More players are entering the market. This is affecting Tristar Insurance in a number of ways. Revenue levels are dropping, pressure on profitability is increasing thereby affecting the company's balance sheet. Tristar Insurance is slowly losing its market share. Competitors are coming up with ways to be more relevant on the market. Banks are also coming into the insurance market through the Bank Insurance Model. Banks like Afrasia, NMB, AgriBank are some of the banks who have entered the insurance market. Other players in the short term insurance industry like NICOZ Diamond and Cell Insurance are now in partnership with banks in a way to position themselves in the bancassurance game that is rising. All these things are posing great threats to the Tristar Insurance brand.

Competitors have come to realise the importance of brands. This is shown by the fact that, there are investing more into their brand providing them with greater financial value. Customers are seemingly becoming more familiar with competitor brands at the expense of the Tristar Insurance brand. This has further worsened the condition of its brand equity which was already lower than expected. As a result, there is need for Tristar Insurance to strengthen its brand.

## **1.2 Statement of the problem**

The value of brand equity has become an important factor in service retailing. Tristar Insurance seems to be struggling in strengthening the value of their brand equity at the same time experiencing poor performance on the market. Is it the lower value of their brand equity that is limiting their performance on the market? Will strengthening brand equity improve company's market performance?

## **1.3 Objective of the study**

The objectives of the study;

1. To identify the relationship between brand awareness and sales volume.
2. To analyse the impact of brand loyalty on market share growth.
3. To investigate the impact of brand associations in creating a competitive advantage.

## **1.4 Hypothesis**

**1.4.1.0** $H_0$ - There is no relationship between brand awareness and sales volume.

**1.4.1.1** $H_1$ - There is a relationship between brand awareness and sales volume

**1.4.2.0** $H_0$ -Brand loyalty does not influence market share

**1.4.2.1** $H_1$ -Brand loyalty influence market share

**1.4.3.0**  $H_0$ -There is no association between brand association and competitive advantage

**1.4.3.1** $H_1$ -There is an association between brand associations and competitive advantage

## 1.5 Significance of the study

### 1.5.1 To the Company

- This research will provide Tristar Insurance Company with information about the importance of creating strong brand equity in improving company performance.
- This research will also give recommendations to the company pertaining the study.

### 1.5.2 To the Industry

- This research will show other players the importance of creating strong brand equity.

### 1.5.3 To the researcher

- This research will help the researcher to meet the necessary requirements for the successful completion of Bachelor of Commerce Honours Degree in Retail and Logistics Management at Midlands State University.
- The researcher will also gain research skills for undertaking future researches.
- The study will also act as a base for other scholars who will undertake studies in the same area.

## 1.6 Delimitations

This study was carried out at Tristar Insurance Company Gweru offices. The study is concentrated on the data collected as from January 2004 to June 2014. The sample include Tristar Insurance Company's employees, customers and potential customers. Also the study focuses on company performance in as far as **individual customers** are concerned. The research also focus on three measures of brand equity and these are brand loyalty, brand awareness and brand association. In terms of company performance, more emphasis is placed on sales volume, market share growth and competitive advantage.

## 1.7 Assumptions

The study was conducted under the following assumptions:

- This research had all the resources needed to conduct the study.
- The respondents honestly gave information without bias.
- Maximum cooperation was received from all respondents.
- This research gathered reliable, accurate and unbiased information to produce a useful study.

## 1.8 Limitations

- Limited time to reach out to all respondents was the major limitation of this study. However this research concentrated on the available individuals at that time. The sample is a representative of employees, existing and potential customers in Gweru.
- This research focused on Tristar Insurance Company employees and customers in Gweru therefore cannot be a true representation of the whole country.

## 1.9 Definition of key terms

**Brand Equity:** is the value and strength of the Brand that decides its worth.

**Brand Loyalty:** is the attachment that a customer has to a brand.

**Brand Awareness:** is the probability that consumers are familiar about the life and availability of the product.

**Brand Association:** is anything that connects the consumer to the brand, this can be imagery, product or service attributes, use situations, organisational associations, brand personality and symbols.

**Individual Customer:** is one real person that wants to purchase a good or service.



**Bancassurance:** is a partnership or relationship between a bank and an insurance company whereby the insurance company uses the bank's sales channel to sell insurance products.

### **Summary**

This chapter highlighted the reasons why this issue is worthy to be researched in form of the research background and the research problem. It is also an introductory part of the research topic showing the research objectives, limitations, delimitations and the assumptions of the study. The next chapter reviews the existing literature on the subject under study.

## CHAPTER TWO

### LITERATURE REVIEW

#### 2.0 Introduction

In this chapter various literatures on brand equity and its impact on company performance are reviewed. The researcher emphasised on the literature by the authorities on the area under study. This chapter focuses on the reviewing of literature which is in line with the objectives highlighted in the previous chapter.

Aaker (2004) defined brand equity as a set of fundamental dimensions grouped into a complex system which comprises of brand awareness, brand loyalty, brand associations and brand perceived quality. Erenkol and Duygun, (2010) explained brand equity as one of the key concepts in marketing. It is well-recognized as one of the highly valued intangible assets by most firms. Brand equity can be defined as incremental utility and value endowed to a product or service by its brand name (Marinova et al., 2011). Kotler and Keller (2006) explained that the added value may be revealed in how customers consider, feel and act with the response to a brand, as well as the prices, market share and profitability that the brand orders for the organisation. Strong brand equity leads customers into a positive or strong brand association; gain or increase their cash flow to the business, as well as make differentiation leading to competitive advantages (Marinova et al., 2011).

According to Kotler and Keller (2006), marketers apply different strategies to measure brand equity. These various strategies can be categorised into three main perspectives namely customers-based perspective, financial perspective and combined perspective. Xu and Chang (2010) defined customers-based brand equity as a study of brand equity from the customers' perspective. It is also described as different brand knowledge like customers association, familiarity which affect customers' reaction to the marketing activities of the brand (Tong and Hawley, 2009).

Chen and Tseng (2010) explained that financial based brand equity is a perspective based on the incremental discounted future cashflows that result from a branded product or service revenue against the revenue of an unbranded product or service. Li et.al.(2011), pointed out that this view aims to analyse sales income, market share and premium and the value of the firm.

Furthermore, the combined brand equity assimilates both customer-based and financial brand equity. Consequently, in this research, customers-based brand equity dimensions are applied for the assessment of their impact on some of the financial based brand equity measures like sales volume and market share.

## **2.1 The Relationship between Brand Awareness and Sales Volume**

Levy et al (2008), Aaker (2004) and Keller (2008) explained brand awareness as the ability of a potential customer to recognise or recall the brand name and the service offered. Brand awareness is the link between brand name and the type of service in the minds of customers. Percy (2008) also shares the same sentiments. However, Aaker (2004) further expounded that brand awareness does not only involve the recognition and recall of the brand in the consumer's mind but it also influence the perception and attitudes of customers. It can also be a driver for brand loyalty. From the views of these authors, it is clear that brand awareness involves the ability to recognise or recall a brand at a particular situation. There is more to it than just recognition and recall as explained by Aaker (2004)

Keller (2008) and Ingram (2014) agreed on the notion that brand awareness is an important dimension of the brand knowledge system which reflects the consumer's ability to identify the brand under various conditions. Ingram (2014) further explained that brand awareness is an outcome but it can also serve as a catalyst for further demand growth. The main aim of brand marketing is to earn a top recall spot in consumers' minds. Ingram (2014) also highlighted that a high level of brand awareness can keep the brand popping up in consumers' conversations, on social media and other situations that serve to spread word-of-mouth advertising.

Malik et al (2013), Ingram (2014) and Percy (2008) pointed out another dimension of brand awareness. They explained it as the degree or probability of customer's familiarity with the brand. Malik et al (2013) defined brand awareness as the probability that consumers are familiar with the availability and accessibility of company's products and services. Percy (2008) also defined brand awareness as the probability that consumers are familiar about the existence and availability of the product or service. Ingram (2014) stated that, brand awareness is the degree to which consumers in the marketplace are familiar with particular brands. These authors brought up mathematical views of brand awareness especially Percy (2008) who went on to state that brand awareness is also measured as a ratio of niche market that has former knowledge of the brand.

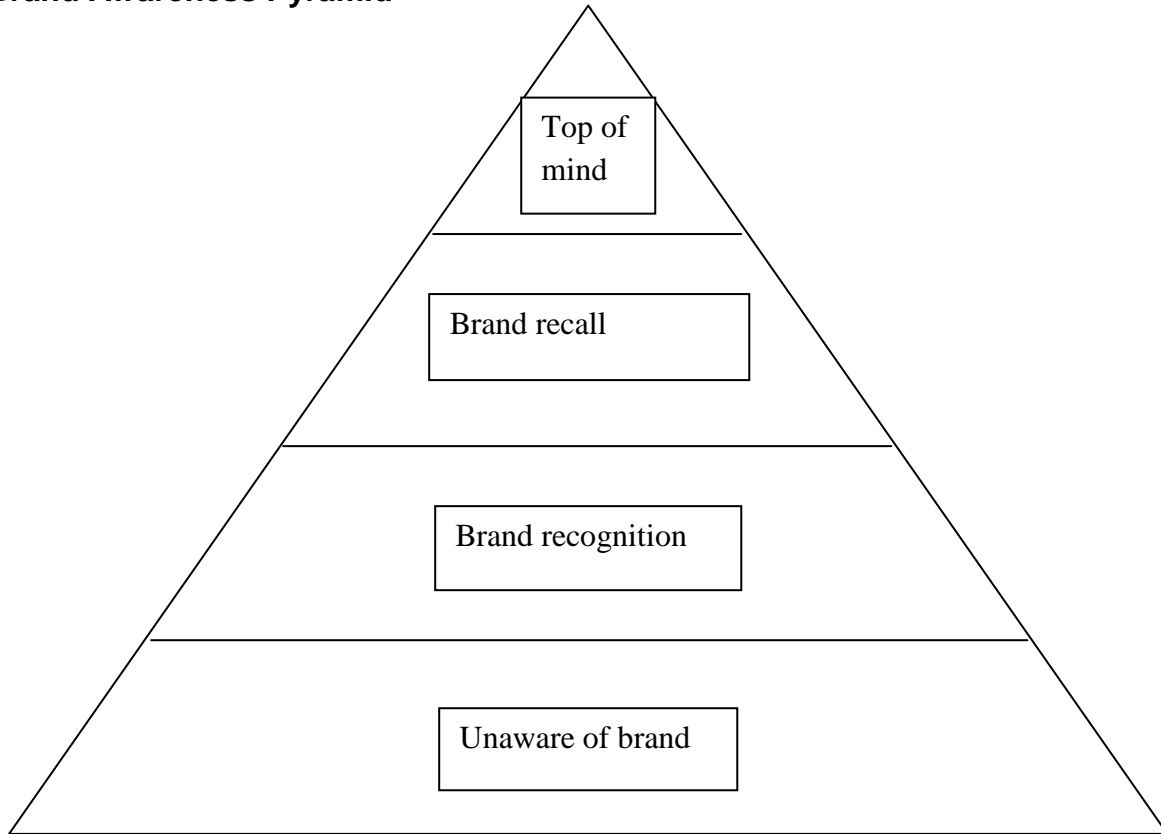
From the above definitions by various authors, it is noted that brand awareness is the identification and recognition of the brand by the consumer at the point of purchase. In other words, it is the familiarity that consumers have with the brand and dominance of the brand in the mind of consumers. Brand awareness influences the choice made by the consumer when he/she is presented with a set of competing brands.

Gustafson and Chabot (2007) stated that, having a successful brand awareness means that the products and services of the company have a good reputation on the market and they are simply acceptable. Ingram (2014) Brand awareness has a number of divergent effects on consumers' perception of separate brands, and aiming to create brand awareness is important for the accomplishments of the business. Percy (2008) went on to explain that, brand awareness refers to consumer's ability to correctly recover the brand from the memory when provided with a hint or he can recall a particular brand when the product or service line is mentioned. It is usually easier to recognize a brand than to recall it from memory.

Aaker (2009) pointed out that brand awareness is measured in various ways in which consumers remember the brand. Brand awareness is ranked in stages namely

unaware of the brand, brand recognition, brand recall and top of mind. Djerv and Malla (2012) ranked these forms of awareness in form of a pyramid as illustrated by the fig below.

### **Brand Awareness Pyramid**



**Fig 2.1: Brand Awareness Pyramid: Source - Djerv and Malla (2012)**

Aaker (2009) explained brand recognition as the stage when consumers can recognize a particular brand among others. Aided recall can also be explained as a scenario where a set of given brand names from a given product/service class is revealed. The task is then to identify the recognized names. The brand that is top of mind is the first brand that consumers think of when given a product or service class. This also refers to the brand name that pops up first in the mind when a consumer is given the name of a product or service. Peter and Olsson (2008) stressed that a consumer's top of mind awareness of a brand is influenced by the consumer's past experiences of the brand.

Keller (2008) agrees with Aaker (2004) that brand awareness consists of two components that are brand recognition and brand recall performance. Keller (2007) pointed out that brand recognition is defined as consumers' capacity to confirm their choice prior exposure to the brand when provided with the brand as a cue. Brand recall refers to whether consumers can retrieve the brand from memory when given the category as a cue. However, Keller (2008) argued that, It is possible that a brand is credible, possesses expertise, trustworthiness, and attractiveness while, simultaneously, having a low level of brand awareness. For instance, some local brands are rarely known in other regions. He further explained that, for a brand to be part of consumer's brand consideration set, it must be relatively easier for consumers to remember the brand when they think of the product or service category. Levy et al (2008) also added that there is a range of awareness from aided recall to top of mind awareness. Aided recall is when consumers indicate they know the brand when the brand name is presented to them. Top of mind awareness is the highest level of awareness and it happens when consumers mention a specific brand name first when they are asked the type of a retailer or the type of service

Levy et al (2008) and Percy (2008) agreed that brand awareness can be categorised into brand recognition and recall. Brand recognition is consumers' capability to confirm prior exposure to the brand when given the brand as cue. Recognition can be explained as consumer's ability to differentiate the brand as having being earlier noticed or heard. Brand recall is consumers' capability to retrieve the brand from memory when given the product or service category, the need fulfilled by the category, or usage scenario as a cue.

Many authors like Keller (2008), Aaker (2004), Gustafson and Chabot (2007), Levy et al (2008) and others agree in the notion that top of mind awareness is the highest level of brand awareness. However their views are mainly on the positive awareness. Top of mind is not always favourable. There are some brands that have a top of mind awareness for being disliked by customers. For instance, a brand can be well known for bad performance that it comes to the consumer's mind first. This

cannot benefit an organisation even though it is top of mind awareness. Top of mind awareness can only benefit a brand if it is credible and positive.

Keller (2008) and Aaker (2004) also agreed on the fact that brand awareness impacts purchase decision making. Keller (2008) explained that brand awareness is vital in buying decision-making as it is essential that consumers recall the brand in the context of a given specific product category. Awareness increases the chance that the brand will be a part of the consumer's consideration set. Aaker (2004) stated that awareness also has an effect on decisions about brands in the consideration set. Keller (2008) pointed out that in low involvement decision situations, a low level of brand awareness may be enough for the final choice.

Marketing activities play a pivotal role in creating brand awareness as explained by Levy et al (2008) and Chaora (2012). Levy et al (2008) explained that, retailers create top of mind awareness by having memorable names, repetitively exposing their names to customers through advertising, location, sponsorships and using unforgettable symbols. Symbols entail visual images that usually are easily recalled than words or phrases and thus are helpful when improving brand awareness. Sponsorship or well publicised events can also provide a considerable exposure to a retailer's name and increase awareness. Chaora (2012) expressed that brand awareness is built through marketing programs that link strong, positive, and exceptional associations to the brand in the memory. Marketing programs are not the only regulator of these associations, but also direct experience, brand information, word of mouth, assumptions of the brand or with the brand's identification with a certain company, country, distribution channel, person, place or event.

Spence (2010) stated that, at contact points with consumers, brands present multi-sensory stimulations through sight, sound, smell, touch and taste. When consumers are presented with a brand in an object-centered, functional way, they identify the multi-sensory stimuli of a brand which is its logo, brand characters, verbal or auditory slogan as presented at organisations or on TV, in print rather absurdly. Calvert et al

(2004) pointed out that; mostly one sensory modality can dominate that is to think of paint, surround sound systems, fragrances among others. They went on to argue that the human perceptual apparatus results in multi-sensory perceptions but many researches in psychology and consumer psychology has been on individual senses.

Kokemuller (2014) pointed out that, the creation of brand awareness is generally the first step in coming up with advertising objectives. Before making a good impression or stimulate customers to buy, there must be awareness of the brand and its meaning. Most marketing messages communicated through various media are mainly used to communicate the brand name and information related to the product or service. The creation of an awareness helps to drive traffic to the business. Aaker (2004) explained that a decision to purchase by a new consumer will always be accompanied by uncertainty and/or risk. A satisfied consumer base can reduce uncertainty and risk, because it provides proof that a brand is accepted, successful and enduring. A customer base can also provide brand awareness. To see a brand being advertised, or in action, or being used by a friend or may also create brand awareness that can draw new consumers.

Aaker (2004) stated that brand awareness plays a pivotal role in consumer decision-making. Brand awareness increases the probability of a brand being a part of the consumer's consideration set. Percy (2008) also pointed out that, consumers adopt a decision rule to purchase well-known brands. Brand awareness has an effect on the decisions made by consumers about the brand in the consideration set. Keller (2008) said that, brand awareness affects the formation and strength of brand associations. Basically, high levels of brand awareness increase the likelihood of brand choice and reduce vulnerability of the brand to competitive marketing actions.

Kotler and Keller (2006) agreed with Tong and Hawley (2009) on the importance of advertising in creating brand awareness. Kotler and Keller (2006) stated that advertising can build long-term brand image for a product or service to generate quick sales. Advertising is non-personal communication and promotion of ideas, goods or services by an identified sponsor by various media. Tong and Hawley (2009) pointed out that brand's advertising presents the brand to customers more regularly, and thus can build a positive brand awareness.



Aaker (2004) went on to explain that advertising does not only enhance brand awareness but brand equity is its long-term outcome. According to Keller (2004), advertising build brand awareness by exposing brands to customers, as well as it strengthens the brand's probability of being a part of consumers' consideration set, thereby enhancing the market performance of a brand.

From the given views, it can be noted that brand awareness aims at creating a place for the brand in the consumer's consideration set. Marketing activities like advertising, sponsorships, PR and others play an important role in enhancing brand awareness. The dominance of the brand in the consideration set increases the probability that the brand will be chosen when a purchase decision is made. This will eventually lead to the growth of sales revenue.

## **2.2 Impact of Brand Loyalty on Market Share Growth**

Aaker (2004) defined brand loyalty as a measure of the attachment that a customer has to a brand. According to American Marketing Association (AMA), brand loyalty is the scenario in which customers usually purchase the same product or service repetitively over time rather than buying from numerous suppliers within the category or the extent to which a customer consistently buys the same brand within a product class. Nickels et al (2006) defined brand loyalty as the degree to which a consumer is satisfied, like the brand and is committed to further purchases. However, Chaora (2012) argued that, repeated purchase has been questioned by many authors as being an indicator of brand loyalty arguing that repeated purchase can be a result of constraints and a lack of viable alternatives or out of convenience. From the given views, it can be noted that brand loyalty is explained as repeat purchase of the brand as a result of satisfaction and personal attachment. Brand loyalty is important because it is associated with usage experience.

Aaker (2010) and Tong and Hawley (2009) agree that brand loyalty is an important dimension of brand equity. Aaker (2010) explained that, brand loyalty differs from other brand equity dimensions as it involves usage experience. Tong and Hawley (2009) stated that, brand loyalty is said to be the vital brand equity dimension, which marks the performance of the other three brand equity dimensions and these are brand awareness, brand association and perceived quality.

According to Erenkol and Duygun (2010), brand loyalty also reduces uncertainty as well as saves costs of seeking new relational exchanges with other brands. Keller (2008) stated that, there are two different levels of loyalty which are categorized as behavioral and cognitive loyalty. Behavioral loyalty is indicated by a number of repeated purchases whilst cognitive loyalty is the intention of the customer to buy the brand as the first choice. Aaker (2010) further expressed that brand loyalty is a measured capacity of how much a buyer can get emotionally attached to a brand. It indicates how much customers are willing to switch to another brand, especially when the other brand has a greater feature or a more positive price difference. Aaker (2004) also considers that brand loyalty is expressed on how likely a customer will be to switch to another brand, especially when that brand makes a change in price, features or its communication.

From the given thoughts, it can be noted that there is a thin line between cognitive loyalty and behavioral loyalty. Behavioral loyalty is defined as repeated purchase and cognitive loyalty is the intention to buy a certain brand as first choice. A repeated purchase can also be intentional and the brand being repeatedly purchased can also be regarded as first choice by a consumer. It therefore becomes difficult to differentiate behavioral loyalty from cognitive loyalty. Cognitive loyalty can also be difficult to notice or to measure because it is within and it is only known by the customer and it can only be expressed behaviorally. Also it is clear that Aaker (2004) mainly explains brand loyalty as the likelihood of a customer to switch to a competitor brand.

Aaker (2011) highlighted that, brand loyalty is important for marketers and consumer researchers. Nawas and Usman (2010) highlighted that, the organizations that have a pool of brand loyalists have greater market share and higher rates of return on investments. This persuades marketing officials to make and sustain brand loyalists. To accomplish such targets, information about factors which causes brand loyalty becomes a core issue. Anderson et al. (2004) highlighted that a loyal and satisfied customer base assists in increasing the organization relative bargaining power. Aaker (2009) pointed out that, another indicator of loyalty is the customer's willingness to pay a premium price for a brand in comparison with another brand providing the benefits.

Anderson et al(2004) explained that customer loyalty should positively affect shareholder value by lessening instability and associated risk with expected future cash flows. Kotler and Keller (2005) further explained that, based on the Pareto principle (20-80 rule), the top 20% of the customers may create 80% of profit for an organisation. Thus a positive relationship between an organisation and its customers is beneficial to the organisation. Aaker (2009) highlighted that, brand awareness, perceived quality and a clear brand identity can contribute to higher loyalty.

Koekemoer(2004) expressed that, some authors described brand loyalty as a form of brand faithfulness. Brand loyalty involves faithful use and purchase of a product. Nickel et al (2004) further explained that brand loyalty involves faithful use and commitment, repeatedly purchase over time on products or services. For there to be further purchase a customer has to be satisfied to the extent of liking the brand.

Many authors like Aaker (2004), Chaora (2012) and others came up with different classifications of loyalty. Aaker(2004) came up with five categories and these are non-customers, price switchers, passive loyalty, fence sitters and the committed. Non customers are those who buy competitor brands or do not buy the product. Price switchers are those who are price sensitive. The passive loyal are those who

buy the brand out of habit rather than reason. Fence sitters are indifferent between two or more brands and finally, the committed are the ones who are truly loyal. Chaora (2012) pointed out similar classifications named switchers, shifting loyals, soft core loyals and hard core loyals.

From the levels of brand loyalty highlighted, it is clear that for a customer to be considered loyal, it is a process. A non-loyal customer can be developed into a loyal customer. This becomes one of the important areas that brand owners need to focus on. Also loyal customers are willing to pay a premium price for a brand which is an indication of the confidence that loyal customers have on the brand. Again paying a premium price can be out of necessity and retailers taking advantage of the lack of other competing brands. Some customers pay premium price as a way to showcase their status but that does not necessarily mean that they are loyal to that particular brand. So the degree to which a customer switches to other brands still remains a key indicator of loyalty.

Moisescu(2010) stated that a high degree of loyalty among customers gives the company a chain of specific competitive advantages, loyalty has a strong favourable effect in two areas, reducing marketing cost and increasing the brand's revenue. Consumers can showcase their loyalty to a brand in many ways: they may opt to stay with a provider, and they may increase the rate of purchasing or the regularity of their purchases or even both, thus generating higher revenues for the brand. Customers can also become advocates of the brand, concerned by playing a powerful role in the decision making of others and this reduces the brand's marketing costs. Ogba and Tan (2009) suggested that good brand awareness should have a positive impact on customer loyalty, which in the long run should also influence customer perceived quality. Loyalty is also enhanced by satisfaction and should also influence to a greater degree the extent to which consumers are willing to express commitment to such offering for sustainable profit.

Aaker (2009) and Moiescu (2010) highlighted the importance of brand loyalty in customer acquisition and customer retention. Moiescu (2010) went on to explain that, It is known that it is more costly to gain new customers than to keep existing ones, especially when the existing customer base is satisfied and loyal. Even in a situation where there are low switching costs and low brand commitment, there is a significant indolence among customers. Still, brand loyalty should not be confused with brand inertia. Aaker (2009) postulated that it is well known that the higher the consumer's brand loyalty towards and satisfaction with a brand, the easier it is to retain the consumer. Marketing costs are reduced when retaining customers. This is due to the fact that prospective customers lack motivation to change and it will be costly to try and persuade them to change to another brand.

From the above views, it can be noted that brand loyalty is mainly characterised by the motive or reason behind the repeat purchase behaviour. Moiescu (2010) clearly explained the main factors behind brand loyalty. It can also be noted that brand loyalty helps in both reduction of costs and generation of revenue. They reduce costs in the sense that it is cheaper to keep customers and generation of revenue because of repeat purchases.

According to Moiescu (2010), brand loyalty implies a strong commitment to brands and there is a difference between repeat purchases and actual brand loyalty. Repeat purchase behaviour is the actual re-buying of a brand whereas loyalty includes experiences or a reason or fact existing before the behaviour. Moiescu (2011) went on to say that the loyalty of the customer base weakens the threats of competitive attacks. Loyal customers do not see a bigger reason to try other brands and even if they do, there is a significant time gap between receiving the information about the new alternative and their decision to try it. Therefore, the company has a considerable time to act in response to competitive threats and knowing this, competitors are disheartened when it comes to spending resources in a way to lure other brands' loyal customers.

Aaker (2004) explained that loyalty generates trade leverage, as loyal customers expect the brand to be always available generating incentives for distribution channels to reference the brand. Moisescu (2010) highlighted that, research has shown that loyal customers are less price sensitive and the expense of pursuing new customers is reduced, while organizational profitability is positively affected by the level of brand loyalty. He went on to explain that, brand loyalty can enhance marginal cash flow and profitability, as loyal customers often accept to pay a price premium for their favourite brands, are easily stimulated to new usage situations and tend to increase intensively and extensively their spending on the brand.

Keller (2004) explained that high levels of brand loyalty should improve sales and its growth since loyal customers are less affected by price competition and are less likely to try other brands thereby improving company growth. The marketing costs also reduced as loyal customers are already confident in their decision to purchase and process information rapidly. Moisescu (2010) expressed that, loyalty helps in the process of attracting new customers, and thus, generates increased market share. Satisfied and loyal clients are likely to provide brand exposure and reassurance to new customers, through word of mouth communication. Alternatively, a potential customer has a better evaluation of a brand if that brand is known to have a loyal customer base.

From the above points, it can be noted that loyal customers are more than customers. They play an important role in attracting new customers to the brand. Loyal customers end up being brand ambassadors and this helps in the creation of the awareness of the brand. The more the loyal customers, the greater the chance of them attracting more customers and the greater the market share.

Kapferer (2005) believes that an existing base of loyal consumers provides important, sustainable, competitive advantages to an organisation. This is because of many factors which include the following;

- Loyal consumers are more profitable.

- Loyal consumers are big spenders.
- Loyal consumers are less price sensitive for the brand.
- Loyal consumers are also brand advocates.
- Loyal consumers are five times less costly to contact than non-consumers.

Aaker (2009) also came up with four key ways in which brand loyalty creates value for the organisation. These are reduction of marketing costs, trade leverage, attraction of new consumers and time to respond to competitive threats. Aaker (2004) further explained that customer brand loyalty creates a breathing space for the producers of existing brands should a competitor introduce or launch a new brand onto the market. This brand loyalty would allow an organisation the time needed for the new brand's improvements to be matched, or neutralised. With a high level of brand loyalty, an organisation can allow itself the luxury of pursuing a less risky follower strategy.

From the factors highlighted by Kepferer (2005), there is clarity that brand loyalty increases market share growth. Most of the factors are indicators of market if their quantities are involved. The greater the number of loyal customers, the greater the market share of the brand. Also, all the four key factors highlighted by Aaker (2004) that creates value for the organisation contributes to the market share growth.

### **2.3 Impact of Brand Association in Creating a Competitive Advantage**

Keller (2008) and Aaker (2004) defined brand associations as anything about the brand that is linked to consumer memory. Keller (2008) defined brand association as the related knowledge a customer has of a brand in his/her mind. Keller (2008) went on to explain brand associations as the impressions based on other information that is related to impressions created by the brand in the minds of consumers and that include the brand's meaning for the consumers. Aaker (2004) stated that brand association is an important component of brand equity that is defined as anything associated to a brand in the memory and brand image is considered as a set of

associations, typically related in some meaningful way. From a service perspective, Gronroos (2007) differentiates associations as in associations related to the core service, the facilitating service which is required to deliver the core service and the supporting service that adds value to the core service

From the given definitions, it can be noted that brand associations involve anything that can be linked to the brand. In other words, it involves factors that a consumer can use to interpret the meaning of the brand. All definitions given clearly show that information and knowledge plays a pivotal role in brand associations. Brand associations have a lot to do with the available information about the brand.

Till et al(2011) highlighted that these brand associations form the criteria that consumers use to assess the overall service offering. Brand associations add value to brand equity, in that customers get attached to the brand. Marinova et al (2011) argued that, brand association is strong especially when linked to experiences or exposure to communications, rather than few. Doyle (2005) explained brand associations as all things that are tied to the brand name.

Erenkol and Duygun (2010) proposed that brand associations assist marketers to easily communicate an idea of a product or service to customers or deliver thoughts that are related to the brand, but also provide brand differentiation and positioning. Tong and Hawley(2009) explained that, brand association is a tool for value creation for companies as well as for its clients since it helps to process information, differentiates the brand, build positive attitudes and feelings and to provide a reason for purchase.

From the above view, it can be noted that brand associations create attitudes and mentalities about the brand in the minds of the consumer. This means that everything that has to do with the brand has an effect on the brand itself. Another important point to note is that, brand associations provide reasons to purchase. If the



reason to purchase is valid and sensible then it can be a competitive advantage on the market.

Aaker (2004) postulated that, brand association, which is the end result of high brand awareness, is perceived as an indicator of quality and commitment which lead in helping customers to familiarise with purchasing the brand, as well as assisting them to chose it at the point of purchase. Creation of positive brand associations can lead to the formation of a positive brand image. Aaker (2005) further expressed that brand associations should be organized into classes that have meaning. These meanings should make the brand positioning its point of reference with respect to competition. A well-positioned brand represents a lucrative set of strong associations.

From the above views, it is important to note that brand associations are the foundation for the creation of a brand image. A positive brand image is a tool against competition because in itself is a reason to purchase the brand. Brand associations also aids brand positioning because they clarify the brand meanings. Again, brand positioning is also a tool to fight competition because if the brand is positioned well, it gives a competitive advantage.

Aaker (2004) explained that, to connect with a brand in self-relevant ways, consumers choose information that is important to them. The unique set of brand associations that a brand strategist aims to build or sustain in the consumer's mind constitutes the brand's identity. Keller (2007) added that, this information may include, among others, brand attributes, benefits, and images that the customer engages. Keller (2008) further highlighted that, on top of the associations provided by companies, customers will build their own associations with brands, for example, cognitive responses that the consumer creates about the brand.

O'Loughlin (2005) explained that brand associations can be used to define a product or service brand image. Service brands are different from product brands in terms of the primary brand establishment in customer minds. In service retailing, the company brand is the primary brand. Chaora (2012) argued that in the service industry customers generally choose or reject based on company brand which means that, clients build company brand associations rather than the brand associations of the product items.

From the above views, it can be noted that company reputation is so vital in the creation of brand associations since consumers primarily relate to the company brand. This means that the image of the company must always be good. This also proves that positive image of the company is an advantage.

Schmitt (2012) pointed out that, research has used associative network models, in which a person's memory is made up of links and nodes, to symbolize brand associations in the consumer's mind. Brand associations can differ in valence, strength, uniqueness and coherence. Ng and Houston (2006) stated that, brand associations are also ordered in terms of level of generality. The activation of brand associations is often automatic in nature. Dimofte and Yalch (2011) further explained that, the so-called, mere association effect can be detected through an implicit cognition measure. Many authors like Aaker (2004) and Simmons (2007) agreed that a brand is thought to evoke, in the customer's mind a certain personality, presence, and product or service performance. Chaora (2012) explained that customers use brand associations to assist in processing, organizing and retrieving information in memory, and to help them in purchase decision making.

O'Loughlin (2005) expressed that, Brand associations can be symbolic meanings, functional consequences and attributes consumers relate with a service or product which can be used to describe a product or service brand image. They are mainly driven by brand identity which is what the company wants the brand to represent in the mind of a consumer. He further explained that, an organization uses brand

associations to distinguish position and extend brands, to build positive attitudes towards a brand and to propose attributes or benefits of buying.

Aaker (2004) stated that, brand association is said to be anything linked in memory to the brand and represents a basis for purchase decisions and for brand loyalty. Djerv and Malla (2012) highlighted five areas that Aaker (1991) pointed out as points in which associations create value:

Help process/retrieve information: Brand associations are important in time of buying a brand. Associations help in the compilation of facts and specifications. Information that could be demanding or even difficult to access could be immediately gathered from memory, and this is vital in decision-making. It also affects the interpretation of facts and activate thoughts about the experience.

Reason to buy: Many brand associations are closely related to product attributes and customer benefits that provide the customer with specific reasons to buy and use the brand (Aaker; 2009).Irmak et al. (2010) also said that customer's preferences can be expounded by their need for uniqueness.

Creation of positive attitudes/feelings: By adding positive feelings to the associations, it will arouse those feelings towards the brand. Research has highlighted that this is carried out through a movement of meaning from the environment, which is referred to as a culturally constituted world, and into products or services, through the use of advertising (Djerv and Malla; 2012).

Wright (2004) and Chaora (2012) agree that brand associations can be a tool for competitive advantage. Wright (2004) explained that strong brand values can protect a product from intensifying price, competition and can serve as a protection against substitutes. Fischer, et. al(2010) stated that, if the company builds and consolidate the brands it own, it will sustain as long as the brand image is positive. They went on to highlight that, previous research has shown that the differentiation, favourability and the strength of associations are the vital parts of brand knowledge, and this in

turn is an important source of customer-based brand equity. Chaora (2012) stated that brand associations are a tool against competition. Strong brand associations go further to act as a barrier to competition entry that they defend company's products and services from competitors. Brand associations provide an urge which improve a company's competitive advantage. These include successful brand extensions, profitability and sales revenue.

Rio et al (2001) stated that the effect of brand functions on consumer response constitutes a highly important subject when analysing the value the brand has for the firm. The competitive advantages that result from positive brand associations can be categorized into three general components that are;

1) Advantages related to current performance and profitability that is the brand's ability to command higher margins and/or volume, more inelastic consumer response to price increases, increased marketing communication effectiveness and greater trade co-operation;

2) Advantages related to longevity of profits that is brand loyalty, less vulnerability to competitive marketing actions, less vulnerability to marketing crises; and

3) Advantages related to growth potential that is possible licensing opportunities, generation of positive word-of-mouth, brand's ability to introduce new products as brand extensions.

Rio et al. (2001) highlighted that researchers have found that brand associations have a positive effect on consumer choice, preferences and buying intentions, their willingness to pay a price premium for the brand, accept brand extensions and recommend the brand to others. Aaker (2008) highlighted that there are at least nine brand associations. The associations transmit either the concept, or the meaning of the product or service in terms of how it fulfils a consumer needs. In today's highly competitive environment a distinctive brand image is vital. As products and services become more complex and the market place more crowded, consumers rely more on the actual attributes of products and services in making purchase decisions.

From the given views, conclusions can be drawn about the impact of brand associations in creating a competitive advantage. Brand associations involve the image portrayed by the brand on the market. This is influenced by the information about the brand that is available on the market. Positive information about the brand gives it an advantage over competitors.

### **Summary**

In this chapter, efforts were made to bring up various thoughts from many authors on the subject of brand equity and its impact on company performance. The next chapter will focus on the research methodology which helped the researcher to assess the impact of the subject under study on Tristar Insurance Company.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.0 Introduction**

Research methodology consists of ways of obtaining, organizing and analyzing data so that it can be meaningful and seen as the means and methods of doing something (Polit and Bungler; 2004). In this chapter, the researcher will look at the methodology that fully meets the needs of the study. The chapter chronicles the research method, design, population, sample and data collection and analysis tools. These are meant to address the main aim of the study.

#### **3.1 Research Design**

Brown (2006) defined research design as a plan or overall scheme of the investigation designed to provide the answers to the research problems. It involves the whole process from the formulation of hypothesis to their implications on the final analysis of data. Gupta (2008) describes research design as the logical manner in which individuals or other units are compared and analysed. It is the basis for making interpretations from data. This research used a descriptive research design. This is because the design is used when the data entails determining the degree to which the variables are related. It is also used when portraying characteristics of a phenomenon. Saunders et al. (2009) stated that descriptive design answers the what, who, when, why and how questions. This also explains why this research opted to use it.

#### **3.2 Target Population**

Population is any group of individuals that have one or more characteristics in common that is of interest to the researcher (Saite;2004). This research's population was made up of all employees within the organisation at Gweru branch together and

current customers. The population consisted of 10 employees and 136 current customers.

### **3.3 Sampling**

According to Bell (2005), sampling is a process which entails selection of a number of individuals or units to represent a target population. Brown(2006) highlighted that the idea of sampling is that, by selecting some of the elements in a population, we are able to draw conclusions about the entire population. This study used both probability and non-probability sampling techniques. This was done to increase the reliability and validity of the research. This research used the following sampling techniques;

#### **3.3.1 Stratified random sampling**

The use of stratified sampling technique enabled high degree of accuracy from representative functions. The statistical efficiency is increased by the fact that each segment of the population is significantly represented. Also more valuable differentiated information is obtained with respect to each group (Gupta; 2008). The population was grouped into two strata. These were employees and customers with portfolios currently held by Tristar Insurance Gweru branch. This technique was used to ensure that all groups that are of interest to the research are adequately represented in the sample

Gupta (2008) stated that stratified sampling is used when the population is heterogeneous in respect to the variable under study. This helps in obtaining accurate results. In this study, there were two groups of people that made up the population and these groups were different. These were employees and customers. All these groups viewed the situation under study from different perspectives and this helped in collecting relevant information for the study.

### **3.3.2 Convenience Sampling**

This technique includes the selection of samples that are easily accessible and conveniently located. The technique was used because of time constraints since this study had close deadlines. This technique gave this research the freedom to choose whomever respondent found to be part of the population thus the name convenience (Blumberg et al.; 2005). Convenience sampling was mainly used when dealing with existing clients. This research dealt with those who were easily accessible.

### **3.3.3 Purposive/ Judgemental Sampling**

The major consideration in judgemental sampling is the judgement of the researcher as to who can provide the best information to achieve the objectives of the study. This technique is used to identify respondents basing on their ability to give relevant information for the study. It is very important to include individuals with knowledge on the subject under study and in a position to give information for the study (Blumberg et al.; 2005). This technique was mainly used when dealing with customers because they are many and only the relevant ones were part of the sample. The relevancy of a given customer was determined by the judgement based on this research.

Judgemental sampling also ensured optimisation of time and resources. This was enabled by the fact that information was obtained from those people with valuable data and knowledge in the area under study. This made the process cheaper and easier since only individuals with necessary information were chosen. However, this technique called for special effort from the researcher to locate and gain access to the individual who had vital information.

### **3.4 Sample Size**

According to Fielding (2007) a sample size must be at least 30% of the total population under research. Saunders et al. (2009) stated that, a larger sample is better than a small one because an increase in sample size reduces sampling errors. In this study, a sample size of 68% which is greater than the minimum required of



30% was used and it was also greater enough to reduce sampling errors. The sample size is broken down as highlighted by the table below.

**Table 3.1 Sample Size Composition**

<b>Strata</b>	<b>Population</b>	<b>Sample size selected</b>	<b>Sample size as %</b>
Employees	10	10	100
Customers	136	90	66
<b>Total</b>	<b>146</b>	<b>100</b>	<b>68</b>

### **Source, Primary Data**

#### **3.4 Sources of Data**

##### **3.4.1 Secondary Sources**

Kanjanda (2012) stated that secondary data is the data collected for other reasons other than the research being carried out. In other words, it refers to the data and other pieces of information that were first collected for other purposes (Boyd; 2005). This research used company documents as a data source since there was limited time and enough financial resources.

##### **3.4.2 Primary Sources**

Kanjanda (2012), defined primary data as the data that is collected for the first time that is original in nature. This data will be collected for the purpose of the current research to be carried out. This research also used primary sources during data collection because it allows this study to obtain first-hand information. This research used questionnaires and interviews for the collection of primary data. The data was collected from a survey which was carried out at Tristar Insurance Gweru branch.

## **3.5 Research Instruments**

### **3.5.1 Questionnaires**

A questionnaire is a written instrument that present respondents with a series of questions or statements to which they are to react either by writing out their answers or selecting from among existing answers (Blumberg et al.; 2005). This instrument was used in this research because it gives standardised answers and it simplifies the process during data compilation. Structured questionnaires were used where appropriate to obtain data from existing customers. The questionnaires consisted of closed-ended questions because they are easy to analyse.

Questionnaires were self-administered and this provided large amounts of information in a relatively short time. Follow ups were done on those administered questionnaires for collection. Although questionnaires are the most efficient way of data collection, they however have their own dark side. Given the fact that questionnaires do not assist respondents during the completion stage, this research overcame the challenge by making the questionnaire as simple as possible. This was ensured by limiting the use of ambiguous phrases and jargons in the questionnaire. Respondents were able to fill in their questionnaires at their own convenience.

### **3.5.2 Interviews**

Kothari (2004) explained that interviews involve presentation of oral-verbal stimuli and reply in terms of oral-verbal responses. They are a verbal technique of obtaining data. They also provide an opportunity to identify non-verbal cues which created a framework with which discovers the genuiness of the interviewees' responses and also get information that cannot be expressed orally. In this research, face to face interviews were conducted at the company offices in Gweru. This was to allow the researcher to get feedback from employees regarding the impact of brand equity on company performance.

There were challenges in conducting interviews. Some respondents were not comfortable and they felt that their answers were not anonymous. This had a danger of obtaining biased information. As a result, respondents were assured that the information collected was to be private and confidential and solely used for the purpose of the research. Interviews were scheduled for 10 employees of Tristar Insurance Company.

### **3.6 Data Presentation**

#### **3.6.1 Tables**

Gupta (2008) stated that, a statistical table is the logical listing of related quantitative data in vertical columns and horizontal rows. These tables also have numbers and sufficient qualifying, words, phrases or statements in the form of titles, headings and notes to make clear the full meaning of data and its origin. Tables help in simplifying complex facts and are able to summarise huge sums of numerical information and presenting it in the simplest form which is in line with the purpose for which it is used. In this research tables were used. Tables were also helpful when testing for hypothesis.

#### **3.6.2 Graphs and Pie Charts**

Graphs and pie charts were also used as ways of data presentation. The responses were categorised according to answers. Pie charts are simple to understand and fast to interpret. They are also self-explanatory. Bar charts were also used to present data because they help facilitate comparisons because of their clear visual impact. They are not difficult to use when presenting quantitative data.

### **3.7 Data Analysis Techniques**

#### **3.7.1 Research Hypothesis**

A hypothesis is referred to as an intelligent or educated guess. It is a statement about the relationship between two variables which implies that its truth can be

tested. A hypothesis is subject to rejection or acceptance at a certain level of probability (Gupta; 2008). This study used hypothesis as a data analysis technique.

### **3.7.2 Chi-square**

A chi-square test is used to measure the difference between what is observed and what is tested. It is a statistical measure used to test hypothesis of patterns of outcomes of a random variable in a population. A null hypothesis (H<sub>0</sub>) is when there is no evidence to back up the hypothesis and there is no significant relationship between variables. This means that the variables are independent of each other. A value will be calculated from the data using chi-square techniques and then compared with the critical value from the chi-square table with degrees of freedom corresponding to that of that data. If the calculated value exceeds that of the critical value, the null hypothesis will be rejected. If it's lower than the null hypothesis, it will be accepted. The chi-square can test for the relationship between two or more variables. In this research it is the relationship between dimensions of brand equity and company performance variables. Also chi-square allows the researcher to see if there is difference between observed and expected results. It also measures the degree to which the observed and expected frequencies differ. Hypothesis of this study was tested using chi-square.

### **3.7.3 Deductive Analysis**

Gill and Johnson (2010) defined deduction as a research philosophy used to interpret results from the general to the particular or from the universal to the individual. This technique allows the researcher to establish hypothesis by using theory. Data is collected for the confirmation or rejection of the hypothesis. Plenty of data was collected to an extent that some of it was regarded as irrelevant. This necessitated the deduction technique.

### **3.8 Reliability and Validity**

A measuring instrument is said to be valid when it measures correctly what it is supposed to measure (Gupta; 2008). Validity was ensured by pre-tests which were

done to help in identifying weaknesses and strengths in the possible answers. It also enhanced the process of verification and cross checking. Also close ended questions in questionnaires invited predetermined responses. This was to motivate respondents to provide the necessary information for the research.

Saunders (2007) defined reliability as the degree to which measures are free from random error and they provide consistent data. For reliability, familiarity with some of the intended respondents helped in carrying out a pilot study before actual data collection. This helped to minimise bias through content validity of questions as well as reliability standards. Also, reliability was guaranteed by using some of the work which was done by other investigators. Questionnaires were framed in such a way that the respondents would give one genuine response.

### **Summary**

The chapter focused on the research methodology. This constituted of the research design, sources of data, population and samples, and data collection and analysis techniques. This research study used a descriptive research design and primary and secondary data sources were used. The next chapter highlights the presentation, analysis and interpretation of the data which was gathered so as to draw conclusions and recommendations.

## CHAPTER FOUR

### DATA PRESENTATION, ANALYSIS AND INTERPRETATION OF FINDINGS

#### 4.0 Introduction

This chapter outlines the key results from the survey and gives an analysis of the results. The chapter focuses on data presentation, analysis and interpretation of data gathered through various data collection techniques. The analysed data was collected from employees and customers of Tristar Insurance Company. Data is presented using tables and in the order of objectives. This was done for easy analysis of data. An analysis is done so as to come up with conclusions on the impact of brand equity on company performance.

#### 4.1 Response Rate

Kanjanda (2012) defined response rate as the numerical relationship of the number of subjects which responded to the researcher's survey divided by the number of people comprising the sample. It is usually presented as a percentage. The response rate also determines the reliability of the findings. The table below shows the response rate of this study.

**Table 4.1 Questionnaire and Interview Response Rate**

<b>Respondents</b>	<b>Questionnaire Administered/ Scheduled</b>	<b>Interview</b>	<b>Successful</b>	<b>Response Rate (%)</b>
Employees	10		8	80
Customers	90		72	80
<b>Total</b>	<b>100</b>		<b>80</b>	<b>80</b>

**Source: Primary Data**

Ninety questionnaires were distributed and the targeted respondents were customers of Tristar Insurance Company. Eighty percent of the administered

questionnaires were returned. In the studies done by Dzingirai (2012), Kanjanda (2012) and Tinarwo (2012), their response rates were 80%, 69% and 86% respectively. This may mean that the response rate of this research is reliable because it is falling in the ranges of other authors. Kanjanda (2012) went on to recommend that a response rate of 50% and above is reliable.

They were 10 interviews that were scheduled for Tristar Insurance Company employees and 8 of them were successful which gives a response rate of 80%. The other 2 interviewees were not available at the time when interviews were scheduled. Tinarwo (2012) highlighted that information provided by a minimum of 43% of interviewees is adequate. The overall response rate was 80%.

## **4.2 The Relationship Between Brand Awareness and Sales**

### **4.2.1 Customers and Brand Awareness**

Companies make efforts to expose their brands to their target market. This aims at creating an awareness of the brand on the market. Awareness is created through many ways including marketing activities like advertisements, encounters with sales representatives and others. In this study, a survey was conducted to check on how customers got to know about the Tristar Insurance brand.

Seven per cent of the customers got to know about Tristar Insurance brand through advertisement, 28% came across vehicle disks, and 29% had encounters with salesmen and 36% through word of mouth. No one confirmed to have known the brand through social media. The data is presented on the table below.

**Table 4.2 How Customers Got to Know About the Brand.**

<b>Response</b>	<b>Frequency</b>	<b>Percentage</b>
Advertisement	5	7
Vehicle Disk	20	28
Salesmen	21	29
Word of Mouth	26	36
Social Media	0	0
<b>Total</b>	<b>72</b>	<b>100</b>

**Source: Primary Data**

The findings highlighted that it is either Tristar Insurance advertisements may be ineffective or they may not be putting much effort in terms of resources towards advertisement. The sales team is also playing a key role and they may be the source of the positive information spreading through word of mouth. Also satisfied customers may also be playing opinion leadership role for the brand on the market. The motor insurance offerings are proving to be key in creating awareness for Tristar Insurance brand since vehicle disks are contributing significantly to the exposure of the brand.

Aaker (2004) highlighted that a customer base can also provide brand awareness. To see a brand in action, or being used by a friend or colleague can also generate brand awareness that can attract new consumers. This view is in support of the research findings which indicated that vehicle disks and word of mouth are playing a key role in creating brand awareness.



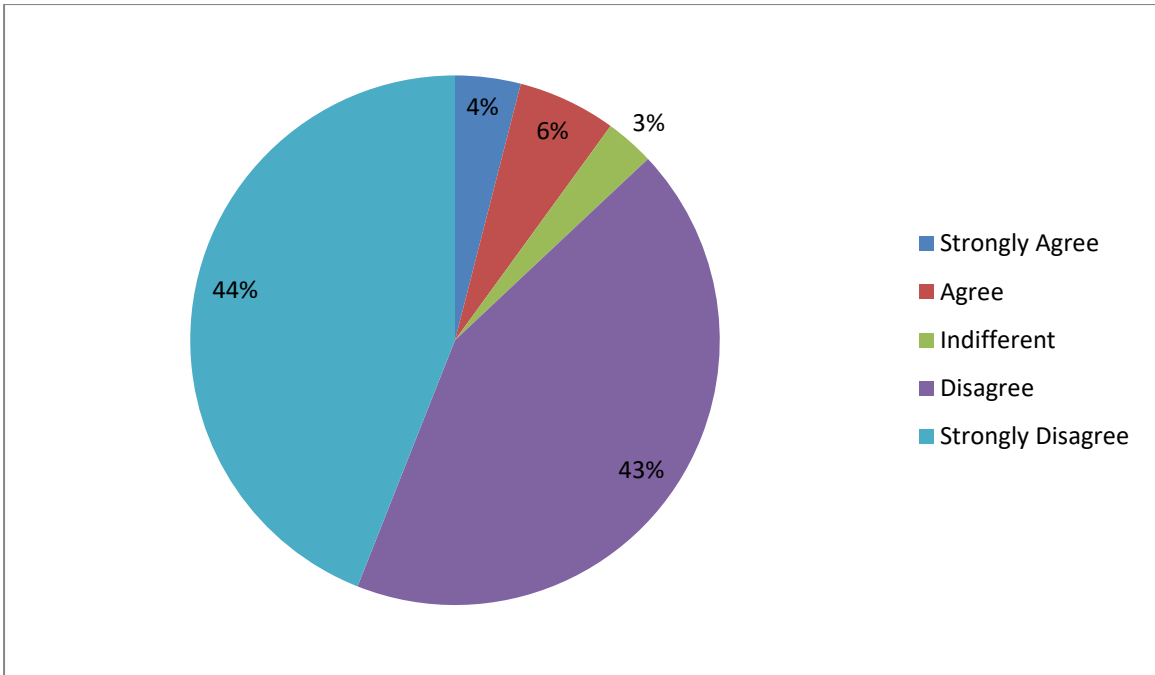
The above data is also in line with the employees' responses during interviews. Most of the employees highlighted that the awareness which is currently on the market has managed to give them some sales though they feel that an improvement in that area will greatly improve their sales. They also pointed out that advertisement is important for the success of the company not only in terms of sales but also in other areas. Employees highlighted that the company is not doing much justice in as far as investment in brand awareness is concerned. Generally, the sales level that Tristar Insurance Company is trading on is lower than expected.

The above thoughts are in sync with what Kokemuller (2014) highlighted when he said that, advertising is important in creating brand awareness. He went on to state that the creation of an awareness helps to drive traffic to the business. This will in turn create sales. In this scenario, low performance in advertising as indicated in the findings of this research may be a factor behind low sales performance for the brand.

#### **4.2.2 Customer Exposure to Tristar Insurance Brand**

In order to see the frequency of the customers' exposure to Tristar Insurance brand, this research measured how often do customers hear about the brand.

The majority of the respondents (44%) strongly disagreed with the notion that they hear about the brand more often. Forty three per cent disagreed, 3% were indifferent and 6% and 4% agreed and strongly agreed respectively. The data clearly shows that customers are not regularly exposed to the Tristar Insurance brand. This may be a result of poor marketing efforts or the marketing efforts may be channelled towards the wrong direction. The data is shown below.



**Fig 4.1: I hear about the brand more often: Source – Primary Data**

Levy et al (2008) highlighted that, retailers build top of mind awareness by repeatedly exposing their names to customers through advertising, location, sponsorships and using memorable symbols. Regular exposure of the brand to customers highly positions the brand in the customer's consideration set. This increases the probability of the brand to be favoured more than competitors. In this research, findings are showing a poor exposure of the brand to consumers and this may be affecting sales.

**4.2.3 Brand Awareness and Purchase Decisions.**

The key factor of the objective is to look into the association of brand awareness and sales volume. As a result, this study measured the extent to which brand awareness influences the purchase decision. The table below indicates the results obtained.

**Table 4.3 Being aware of the brand motivates me to favour it when making purchase decisions.**

<b>Response</b>	<b>Frequency</b>	<b>Percentage</b>
Strongly agree	25	35
Agree	34	47
Indifferent	7	10
Disagree	5	7
Strongly disagree	1	1
<b>Total</b>	<b>72</b>	<b>100</b>

**Source: Primary Data**

From the table above, 35% of the respondents strongly agreed with the notion that being aware of the brand influences purchase decisions. Forty seven per cent agreed, 10% were indifferent, 7% disagreed and only 1% strongly disagreed. The data shows that most of the customers are highly influenced by brand awareness when making a purchase. This may mean that the respondents purchase the Tristar Insurance brand because they are aware of it.

The result as indicated in the table above is supported by many authors. Keller (2008) explained that brand awareness is essential in buying decision-making as it is important that consumers recall the brand in the context of a given specific product or service category. Aaker (2004) pointed out that awareness affects decisions about brands in the consideration set, even in the absence of any brand associations in consumers' minds. This means that improving the level of awareness of Tristar Insurance brand may increase the company's sales volume.

To further validate the findings, this research tested the hypothesis using chi-squared on the relationship between brand awareness and sales volume.

H<sub>0</sub> - There is no relationship between brand awareness and sales volume.

H<sub>1</sub> – There is a relationship between brand awareness and sales volume.

a) Calculation of expected frequency (E)

$$1/5 * 72 = 14.4$$

b) Calculation of chi-square( $\chi^2$ )

$$(\chi^2) = \sum(O-E)^2 / E \quad \text{where } O = \text{Observed frequency} \\ E = \text{Expected frequency}$$

**Table 4.4 Calculation of  $\chi^2$**

Observed Frequency(O)	Expected Frequency(E)	O-E	(O-E) <sup>2</sup>	(O-E) <sup>2</sup> /E
25	14.4	10.6	112.36	7.80278
34	14.4	19.6	384.16	26.67778
7	14.4	-7.4	54.76	3.80278
5	14.4	-9.4	88.36	6.13611
1	14.4	-13.4	179.56	12.46944
$\sum(O-E)^2/E$				<b>56.8889</b>

Source: Primary Data

c) Establishing the degree of freedom

$$V = k-1 \text{ (where } k \text{ is the number of classes)}$$

$$= 5-1$$

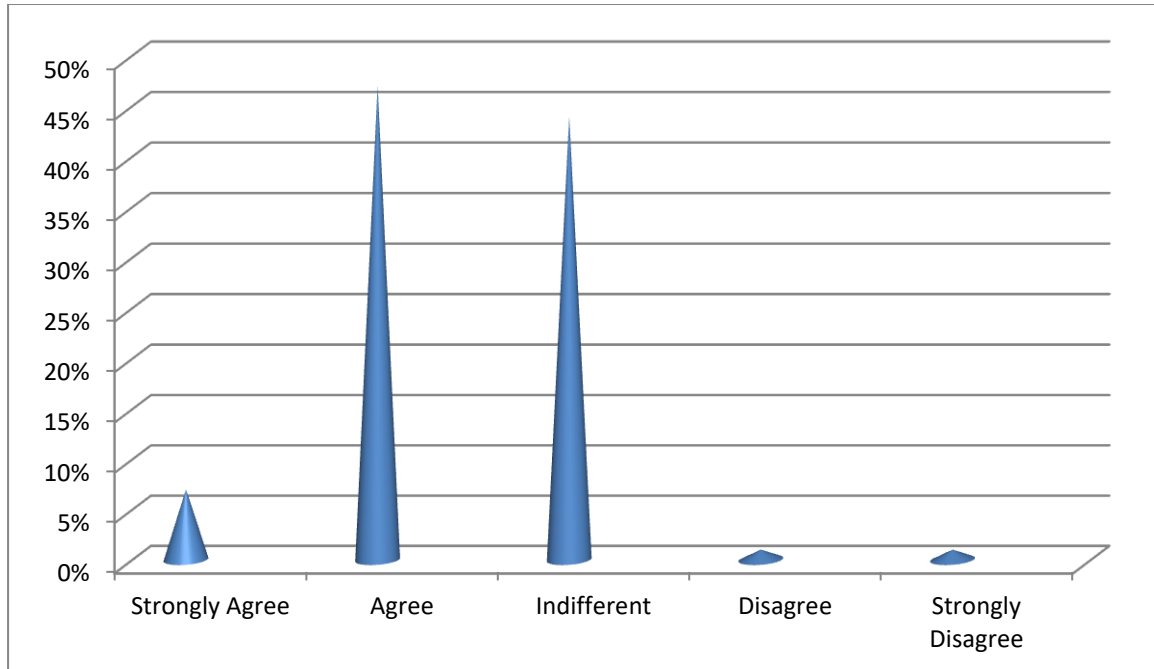
$$= 4$$

The critical value is 9.488 (from  $\chi^2$  tables) at 5% level of significance and 4 degrees of freedom. The null hypothesis is rejected since the  $\chi^2_{\text{calculated}} > \chi^2_{\text{critical}}$  (56.8889 > 9.488) and this shows that there is a relationship between brand awareness and sales volume. This is in support of what Percy (2008) pointed out when he stated that brand awareness increases the probability of the brand being chosen when a purchase decision is made.

### 4.3 Impact of Brand Loyalty on Market Share

#### 4.3.1 The Brand Meets Personal Needs

Brand loyalty is one of the key dimensions of brand equity. This research measured how Tristar Insurance brand meets customer needs because it is one of the factors that build brand loyalty in customers. The diagram below shows the result of the measurement of that factor.



**Fig 4.2: Tristar Insurance brand meets personal needs : Source – Primary Data**

Forty seven percent of the respondents agreed that Tristar Insurance brand meets their personal needs. This may be the base or the foundation of brand loyalty for

Tristar Insurance brand. Only 7% strongly agreed, 1% disagreed and 1% strongly disagreed. Forty four percent were indifferent and this may be because of unclear personalisation of services by the company.

Keller (2008) highlighted two types of brand loyalty and these are behavioural loyalty and cognitive loyalty. Cognitive loyalty is the consumers' intention to buy the brand as the first option. The brand that meets personal needs is likely to create cognitive loyalty. In this research, Tristar Insurance is likely to create cognitive loyalty for its brand because of its personalised services.

#### 4.3.2 The Brand is Worth to Recommend Someone.

The study went on to examine how much customers believe in the brand. This was done by checking on whether the brand is worth to recommend someone. The result is shown below.

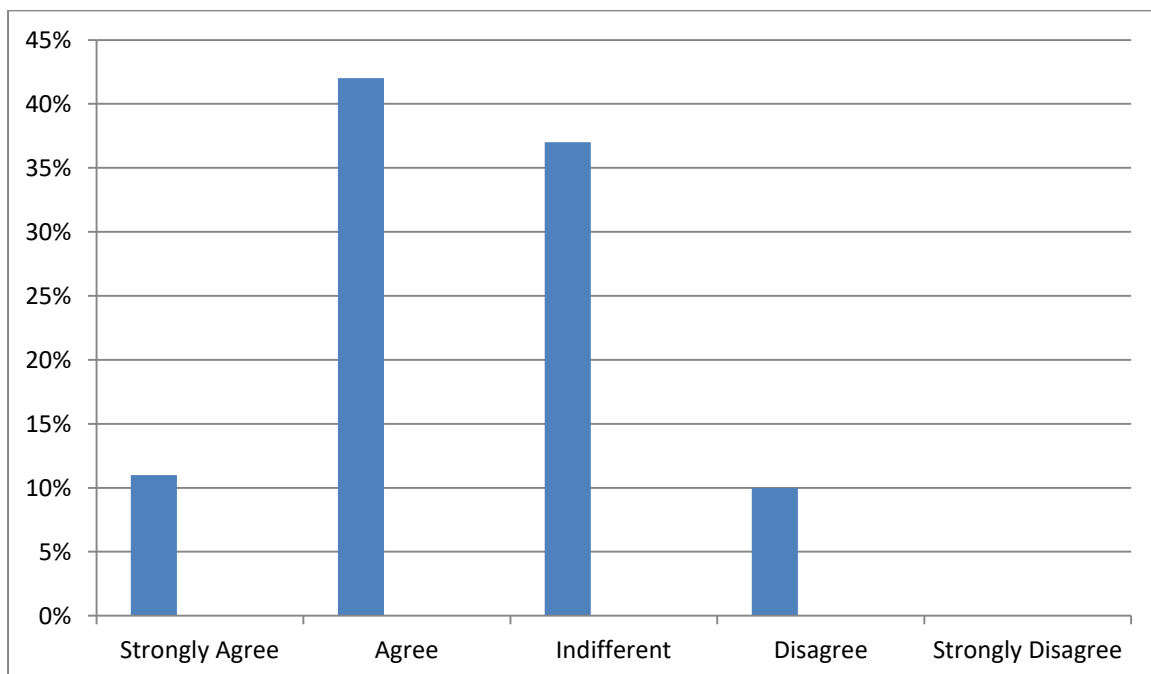


Fig 4.3: The brand is worth to recommend someone: Source – Primary Data

From the table above, 42% of the respondents agreed with the notion that Tristar Insurance brand is worth to recommend someone. Eleven percent strongly agreed, 37% were indifferent and 10% disagreed. This may mean that most of the customers have faith in the brand. The 37% who are indifferent may be those who are yet to establish themselves in the brand.

Mosescu (2010) highlighted that loyal customers may also become advocates of the brand, concerned by playing a powerful role in the decision making of others, thus reducing the brand’s marketing communication costs. Satisfied and loyal clients tend to provide brand exposure and reassurance to new customers, through word of mouth communication. The reason why many respondents agree that Tristar Insurance brand is worth recommending someone may be because they are satisfied and loyal to it.

#### 4.3.3 Likelihood of Customers Switching to other Brands

One of the key measures of brand loyalty is the degree to which customers are likely to switch to other brands. In this research respondents were asked on how likely are they to switch to other brands and the results are shown on the table below.

**Table 4.5 How likely are you to switch to other brands?**

<b>Response</b>	<b>Frequency</b>	<b>Percentage</b>
Unlikely	11	15
Less likely	31	43
Neutral	20	28
Likely	10	14
More likely	0	0
<b>Total</b>	<b>72</b>	<b>100</b>

**Source: Primary Data**

A massive 43% of the respondents are less likely to switch to other brands. Fifteen percent is unlikely, 28% is indifferent and 14% is likely to switch to other brands. The 15% which is unlikely to switch and 43% which is likely to switch may be constituted of those who are satisfied with the Tristar Insurance brand. They may be hard-core loyalists and 28% who are indifferent may be fence sitters.

Aaker (2010) expressed that brand loyalty shows how much consumers are willing to change to another brand, especially when that brand makes a change in price, features or its communication. Ogba and Tan (2009) stated that brand loyalty is also enhanced by satisfaction and should also influence to a greater degree the extent to which customers are willing to express commitment to such offering for sustainable profit. From the findings we realised that most of the respondents are less likely to switch to other brands. This may be a sign of the commitment that these customers have to the brand.

Moisescu(2010) stated that, loyalty enhances the process of attracting new customers, and thus, generates increased market share. The brand loyalists play a pivotal role through word of mouth to influence others to like the brand.

This research further on tested hypothesis using chi-square to validate the results on the impact of brand loyalty on market share growth.

Null hypothesis  $H_0$  - Brand loyalty does not influence market share

Alternative hypothesis  $H_1$  – Brand loyalty influence market share

a) Calculation of expected frequency (E)

$$1/5 * 72 = 14.4$$

b) Calculation of chi-square ( $\chi^2$ )

$$(\chi^2) = \sum (O-E)^2 / E \quad \text{where } O = \text{Observed frequency}$$

$$E = \text{Expected frequency}$$



**Table 4.6 Calculation of  $\chi^2$**

Observed Frequency(O)	Expected Frequency(E)	O-E	(O-E) <sup>2</sup>	(O-E) <sup>2</sup> /E
11	14.4	-3.4	11.56	0.80278
31	14.4	16.6	275.56	19.13611
20	14.4	5.6	31.36	0.21778
10	14.4	-4.4	19.36	1.34444
0	14.4	-14.4	207.36	14.4
$\Sigma(O-E)^2/E$				<b>35.9011</b>

**Source: Primary Data**

c) Establishing the degree of freedom

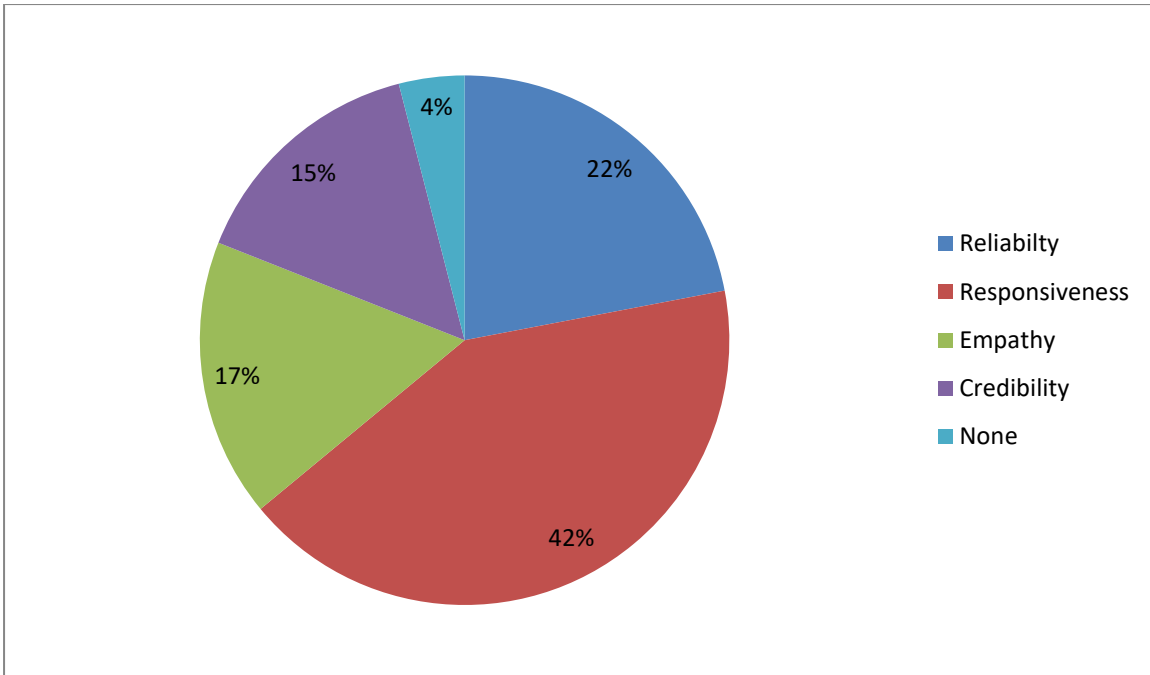
$$\begin{aligned}
 V &= k-1 \\
 &= 5-1 \\
 &= 4
 \end{aligned}$$

At 5% level of significance and 4 degrees of freedom, the critical value is 9.488. Since the  $\chi^2_{\text{calculated}} > \chi^2_{\text{critical}}$  (35.901 > 9.488), the null hypothesis is rejected. This indicates that level of brand loyalty influence market share. This is supported by Moisescu (2010) who stated that, brand loyalty enhances the process of attracting new customers and thus, generates increased market share.

#### **4.4 Impact of Brand Associations in Creating a Competitive Advantage.**

##### **4.4.1 Consistent Assurance of Tristar Insurance Brand.**

One of the key elements of brand associations is the consistency of the brand on its assurance. To measure this, respondents were asked about the consistent assurances of Tristar Insurance brand. The responses are shown below.



**Fig 4.4: what is the assurance that is consistent with the brand: Source - Primary Data**

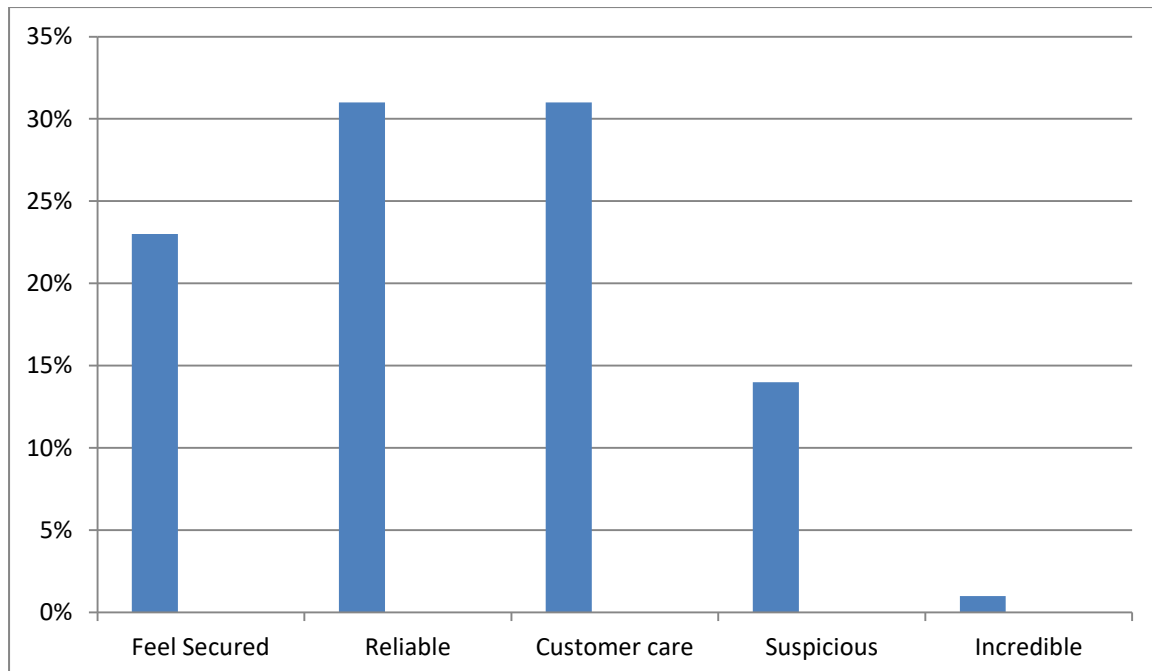
As shown above, in terms of assurance 22% of the respondents believed that the brand is reliable, 17% empathy, 15% credibility and 4% believed that the brand has no consistent assurance. Forty two per cent of the respondents believed that the brand is responsive. This may be a result of the competencies of Tristar Insurance employees and their promptness in dealing with customer concerns.

Aaker (2004) stated that, brand association, which is the outcome of high brand awareness, is viewed as a sign of quality and commitment which lead customers to familiarise with purchasing the brand. In terms of quality and commitment, Tristar Insurance brand may be more of responsive and reliable as indicated by the results on the table.

#### **4.4.2 Customer Perceptions on Tristar Insurance Brand**

Brand associations create perceptions that the brand can have on the market. Perceptions are also one of the end products of brand associations. To see how

Tristar Insurance brand is perceived on the market, respondents were asked on how they perceive the brand. The outcome is shown below.



**Fig 4.5: what are Your Perceptions on this brand: Source: Primary Data**

Twenty three per cent of the respondents feel secured, 31% think that the brand is reliable, 31% again think that it is associated with good customer care, 14% perceive the brand as suspicious and 1% think that the brand is incredible. It is a good sign though, because the majority of the respondents indicated that they have a positive perception towards the brand. This may be because of the good and satisfying service offered by the company or the positive information about the brand that is flooded on the market.

Tong and Hawley (2009) explained that, brand associations help customers by assisting them to process information, distinguishes the brand, creates positive attitudes and feeling and provides a reason to purchase a brand. Chaora (2012) stated that positive brand associations are a tool against competition. Strong brand associations go further to act as a barrier to competition entry that they defend company's products and services from competitors. Brand associations provide an

urge which improve a company's competitive advantage. In this study, respondents have shown that they have a positive perception towards the Tristar Insurance brand. This gives the brand a competitive advantage because it will be preferred more than competitors.

#### 4.4.3 Customers Enjoying the Brand

Consumers' opinions on what makes the brand enjoyable are a result of brand associations. To analyse the factors that make Tristar Insurance brand enjoyable, respondents expressed their views on what makes the brand enjoyable. The table below shows the results that were obtained.

**Table 4.7 what makes the brand enjoyable?**

<b>Respondents</b>	<b>Frequency</b>	<b>Percentage</b>
Attributes	22	31
Benefits	26	36
Attitudes	14	19
None	4	6
All	6	8
<b>Total</b>	<b>72</b>	<b>100</b>

**Source: Primary Data**

Thirty one per cent of the respondents greatly enjoy the brand attributes, 36% enjoy the benefits, 19% enjoy attitudes, 8% enjoy all of the categories of the associations of Tristar Insurance brand and 6% do not enjoy it at all. From the results, it can be noted that Tristar Insurance Company makes its brand benefits more enjoyable. This may be because its competitors are also intensifying their brands in making their benefits more real.

Aaker (2005) expressed that brand associations should be organized into groups that have meaning. These meanings should make the brand positioning its point of reference with respect to competition. Based on the above data, Tristar Insurance may be creating more meaning in terms of benefits.

This study went on to test hypothesis on the impact of brand associations in creating a competitive advantage. A chi-square test was used.

$H_0$  - There is no association between brand associations and competitive advantage.

$H_1$  - There is an association between brand associations and competitive advantage.

a) Calculation of expected frequency (E)

$$1/5 * 72 = 14.4$$

b) Calculation of chi-square ( $\chi^2$ )

$$(\chi^2) = \sum(O-E)^2 / E \quad \text{where } O = \text{Observed frequency}$$

$$E = \text{Expected frequency}$$

**Table 4.8 Calculation of  $\chi^2$**

Observed Frequency(O)	Expected Frequency(E)	O-E	(O-E) <sup>2</sup>	(O-E) <sup>2</sup> /E
22	14.4	7.6	57.76	4.01111
26	14.4	11.6	134.56	9.34444
14	14.4	-0.4	0.16	0.01111
4	14.4	-10.4	108.16	7.51111
6	14.4	-8.4	70.56	4.9
$\sum(O-E)^2/E$				<b>25.7778</b>

**Source: Primary Data**

c) Establishing the degree of freedom (v)

$$\begin{aligned} V &= k-1 \\ &= 5-1 \\ &= 4 \end{aligned}$$

From  $\chi^2$  tables, 9.488 is the critical value at 5% level of significance and 4 degrees of freedom. The null hypothesis is rejected because the  $\chi^2_{\text{calculated}} > \chi^2_{\text{critical}}$  (25.778 > 9.488). This confirms that there is an association between brand associations and competitive advantage. Chaora (2012) stated that brand associations are a tool against competition and provide an urge which improve a company's competitive advantage.

### **Summary**

The chapter highlighted results, interpretation and analysis of them pointing out main findings of the research. The next chapter focuses on the summary, conclusions and recommendations.

## CHAPTER FIVE

### SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

#### 5.1 Summary

In this research it was found that Tristar Insurance Company is lagging behind in as far as the strengthening of their brand equity is concerned. The study analysed the impact of brand equity on company performance. Brand awareness, brand loyalty and brand associations are the three dimensions of brand equity that were studied to see their influence on sales volume, market share growth and competitive advantage respectively.

##### 5.1.1 Relationship between Brand Awareness and Sales.

From the interviews carried out, employees highlighted that the brand has not yet reached the level of awareness that can be acceptable. There is still a lot to be done to ensure that a high level of brand awareness is attained. Most of the respondents attributed the level of their sales revenue to the level of awareness that is on the market. It was also found that Tristar Insurance Company is not sufficiently investing in promoting brand awareness.

From the findings, it was noted that most of the customers that the company has were reached through word of mouth (36%), sales representatives (29%) and seeing vehicle disks (28%). Just 7% of customers got to know about the brand through advertisements. Also, customers indicated that they are not constantly exposed to the brand. Eighty seven per cent did not agree that they hear about the brand more often. On the other hand, 82% of customers agreed that being aware of the brand has motivated them to purchase it.

##### 5.1.2 Impact of Brand Loyalty on Market Share Growth

Tristar Insurance company customers have generally proved to be loyal and employees also confirmed that the level of brand loyalty has been the base of the

brand's market share. The company is working towards the customisation of their offerings to satisfy customers so as to improve the level of loyalty. Customers have confirmed that the brand is worth recommending others (53%) and 58% proved to be liking the brand that they are not likely to switch to other brands.

### **5.1.3 Impact of Brand Associations in Creating a Competitive Advantage**

Tristar Insurance Company employees who were interviewed highlighted that the company has been making efforts in forming brand associations in form of brand attributes and benefits. This was confirmed by customers whom the majority are enjoying their experiences with the brand because of its benefits (36%) and attributes (31%). However, there were about 19% who are enjoying brand attitudes. Also, 85% of the customers have a positive perception of the brand. During interviews, it was also confirmed that brand attributes and benefits are the base of Tristar Insurance Brand's competitive advantage.

From the findings, strengthening the brand equity of Tristar Insurance brand can be a turning point for the success of the company.

## **5.2 Conclusions**

### **5.2.1 Relationship between Brand Awareness and Sales.**

Based on the analysis made on the previous chapter, it can be noted that brand awareness has a close relationship with sales volume. This was indicated by 82% of customers who were in agreement with the fact that being aware of Tristar Insurance brand has motivated them to favour the brand when making purchase decisions. In other words, this may be concluding that brand awareness has an effect on purchase decisions there by influencing sales also. Aaker (2004) pointed out that awareness affects decisions about brands in the consideration set, even in the absence of any brand associations in consumers' minds. This leads to sales.



According to the analysis in the previous chapter, Tristar Insurance seems to be ineffective in its advertisement. This was indicated by the low percentage (7%) of customers who got to know about the brand through advertisement. However, it can be concluded that the Tristar Insurance customers seem to be satisfied by the brand that they are telling others about it. This was confirmed by most of the customers who indicated that they got to know about the brand through word of mouth. Word of mouth through opinion leadership by existing customers proved to be the effective way that is bringing more customers to Tristar Insurance Company.

Also from the findings, Tristar Insurance Company seems to be insufficiently investing in the promotion of their brand. Most of the employees pointed out the need for Tristar Insurance Company to fund more in the promotion of the brand. This was also confirmed by customers who disagreed with the notion that they often get exposed to the brand. The hypothesis test done in the previous chapter indicated that there is a relationship between brand awareness and sales. From all these factors, this research can conclude that Tristar Insurance Company is not doing justice in the promotion of its brand. Kokemuller (2014) that, advertising is important in creating brand awareness and Tristar Insurance Company is not making enough efforts towards this direction.

### **5.2.2 Impact of Brand Loyalty on Market Share Growth**

From the analysis done in the previous chapter, this research can conclude that customers who are loyal to the brand are a base for market share growth. This was indicated by about 58% of customers who are determined to stick to the brand. This is probably because they are satisfied with the brand. This again is based on the fact that most of the customers indicated that the brand meets their personal needs. These customers are likely to spread the news also aiding to the company's marketing efforts. A hypothesis test done in the previous chapter also concluded that brand loyalty influences market share. Moisescu (2010) highlighted that, brand loyalty enhances the process of attracting new customers, and thus, generates increased market share.

### **5.2.3 Impact of Brand Associations in Creating a Competitive Advantage**

From the analysis in the previous chapter, most customers indicated that they enjoy most the brand benefits. This confirmed what was pointed out by employees in interviews that the company strives to form brand associations through the benefits that clients enjoy as a result of their relationship with the brand. This research can therefore conclude that Tristar Insurance company form brand associations through brand benefits though the brand also has acceptable attributes. This was also confirmed by customers. Chaora (2012) stated that brand associations are a tool against competition and provide an urge which improve a company's competitive advantage. This was confirmed by the hypothesis test in the previous chapter which rejected the null hypothesis and concluded that there is an association between brand associations and competitive advantage.

### **5.3 Recommendations**

From the conclusions stated above, this study came up with recommendations that can be a reminder to Tristar Insurance Company on the importance of Strong brand equity in enhancing the performance of the company.

#### **5.3.1 Brand Awareness and Sales Volume**

Based on the above conclusions, it was noted that brand awareness has an effect on purchase decisions. Most customers have shown that being aware of the Tristar Insurance brand has actually motivated them to prefer it when making purchases. Therefore, the researcher recommends Tristar Insurance Company to invest more in promoting brand awareness so as to improve their sales revenue.

There is also need to expose the existing and potential customers to the brand. This position well the brand and it also gives the brand dominance in the minds of customers. The dominance means that the brand will be highly prioritised in the consumer's consideration set thereby increasing the probability of the brand to be

purchased. Again the effect will be on sales. The exposure will be highly necessitated by marketing efforts especially advertising. This research therefore encourages Tristar Insurance to advertise on both print and digital mediums. This research place more emphasis on advertising through the internet. The reason being that internet has become the easiest way of getting contact with most customers. Tristar Insurance Company should take advantage of social media to advertise the brand.

### **5.3.2 Brand Loyalty and Market Share Growth**

This research encourages Tristar Insurance Company to continue working towards the customisation of its offering. This will help in customer satisfaction since most customers will have their personal needs met. This can be ensured by getting customer feedbacks and regularly carrying out surveys to get customer opinions on the brands. As a result of this customers will feel important and be part of the brand. This will help them create emotional attachments with the brand and recommend others to go for the brand.

Insurance is a business of selling promises. It is therefore important for Tristar Insurance Company to walk its talk. There is need for excellent service delivery so that trust will be built between the brand and its customers. This will help in customer retention. This research recommends the company to improve and constantly upgrade their systems to ensure a great brand experience for the customers.

This study also recommends Tristar Insurance Company to improve its customer relationship management systems. This will help in creating and maintain long term relationships with customers. This can be ensured by constantly communicating with customers through emails, phone calls and creating brand communities on social media among others.

### **5.3.3 Brand Associations as a Competitive Advantage.**

There is need for Tristar Insurance to create positive perceptions towards its brand. This research recommends the company to maintain a good reputation on the market since this is the base for customer perception. This is ensured by good ethical practises by the company and a good brand image is maintained which gives the company a competitive advantage.

This research also recommends the company to form brand associations. This can be done through good service delivery to ensure customer satisfaction, community involvement through corporate social responsibility and even sponsorships. Customers will then start to associate themselves with the brand since it would have proven that it is meant for a great cause.

### **5.4 Recommendations for Further Research**

Researches can also be bone on how brand equity dimensions influence each other, how perceived quality influence company performance. Also in as far as Tristar Insurance brand is concerned researches can be done to see how promotional activities can help in creating a market share for the brand and the form of advertisement that is appropriate for the improvement of brand awareness.

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## **APPENDIX ONE**

### **INTERVIEW GUIDE FOR EMPLOYEES**

I am Lancelot Waison, a fourth year student at Midlands State University, studying towards a Bachelor of Commerce Honours Degree in Retail Management. I am carrying out a research on the impact of brand equity on company performance, case of Tristar Insurance. The information collected will be used for academic purposes only. Your support will be greatly appreciated. Thank you.

1. What is the level of brand awareness on the market?
2. Has the level of brand awareness contributed in any way towards sales growth?
3. Is Tristar Insurance investing much in promoting its brand awareness?
4. What is the level of brand loyalty of Tristar Insurance?
5. Do you think this level has contributed in any way towards the company's current market share?
6. Are there any loyalty programs being carried out by Tristar Insurance?
7. Why do most customers associate with Tristar Insurance as a brand?
8. Are these associations strong enough to establish a competitive advantage?
9. How are you forming brand associations?

## APPENDIX TWO

### QUESTIONNAIRE FOR CUSTOMERS

I am Lancelot Wajson, a Midlands State University student carrying out a research on the impact of brand equity on company performance. Please kindly assist me with filling this questionnaire. The answers you give are strictly confidential and will be used solely for academic purposes. Your support will be greatly appreciated. Please tick in the cheek box to indicate your answers. Thank you.

1. Being aware of Tristar Insurance as a brand motivates me to favour it when making a purchase

Strongly Agree    Agree    Indifferent    Disagree    Strongly Disagree  
               

2. How did you get to know about the brand?

Advertisements    vehicle disk    salesmen    word of mouth    social media  
               

3. I hear about Tristar Insurance very often.

Strongly Agree    Agree    Indifferent    Disagree    Strongly Disagree  
               

4. The brand Tristar Insurance meets my personal needs.

Strongly Agree    Agree    Indifferent    Disagree    Strongly disagree  
               

5. Tristar Insurance employees are empowered to deliver Excellency.

Strongly Agree    Agree    Indifferent    Disagree    Strongly disagree

6. The brand is worth to recommend someone.

Strongly Agree	Agree	Undecided	Disagree	Strongly disagree
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

7. How likely are you to switch to other brands?

Unlikely	Less likely	neutral	Likely	More likely
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

8. What makes Tristar Insurance brand enjoyable?

Attributes	Benefits	Attitudes	AllNone	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

9. What is the assurance that is consistent with the brand?

Reliability	Responsiveness	Empathy	Credibility	None
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

10. What are your perceptions on this brand?

Feel secured	reliable	customer care	suspicious	incredible
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Thank you for your cooperation**

## **APPENDIX THREE**

### **APPROVAL LETTER FROM TRISTAR INSURANCE**