MAKERERE UNIVERSITY

MAKERERE UNIVERSITY BUSINESS SCHOOL

PRODUCT QUALITY, BRAND LOYALTY AND BRAND PERFORMANCE IN THE DAIRY SECTOR OF UGANDA

BY

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DECLARATION

I **AMBROSE TWINOMUJUNI** hereby declare that the work contained in this report is original and has never been submitted to any university or college for any award for a degree or its equivalent.

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APPROVAL

This is to certify that this research report has been submitted with our approval as University supervisors.

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DEDICATIONS

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LIST OF ABREVIATIONS

DDA : Dairy Development Authority

ESL : Extended Shelf Life

UHT : Ultra-High Temperature

GDP : Gross Domestic Product

CVI : Content Validity Index

ABSTRACT

This study aimed at establishing the relationship between product quality, brand loyalty, and brand performance within the diary sector of Uganda. This was initiated as a result of continuous dairy brand performance failure on the market. In that regard four research objectives were set and these included i) to examine the relationship between product quality and brand performance; ii) to establish the relationship between product quality, and brand loyalty; iii) to examine the relationship between brand loyalty and brand performance and v) to establish the mediating effect of brand loyalty on the relationship between product quality and brand performance.

In order to achieve the above objectives a population 32 dairy firms were selected, and from each 5 managers were selected to participate in the study. Out of the 160 administered questionnaires 132 questionnaires were successfully filled and 6 successful interviews conducted. In total this made a response rate of 82.5%. The correlation coefficient was 0.826 indicating a strong positive relationship between product quality and brand performance. This was so because of poor quality milk that is key input within the dairy products in the market. Also quality of dairy products was greatly affected by the technology, used by local livestock farmers. There was a strongly positive relationship between product quality and brand loyalty, and that product quality predicts 83.7% variance in the brand loyalty within the daily sector of Uganda. There was a moderate positive relationship between brand loyalty and brand performance and that 48.1 % of the variance in brand performance was found to be explained by brand loyalty efforts within the dairy sector of Uganda. It was found out that, brand loyalty partially mediated the relationship between both product quality and brand performance in the dairy sector of Uganda. This was so because, quality in all these variables resulted into loyal customers that guaranteed the performance of dairy companies in terms sales and profitability.

It has been recommended that management of dairy producing companies together with management of the dairy Development Authority of Uganda to strongly establish quality standards to regulate milk producers in Uganda.

CHAPTER ONE

INTRODUCTION

1.0 Introduction

This study aimed at investigating the intricate relationship between product quality, brand loyalty, and brand performance in the dairy sector of Uganda. The dairy sector in Uganda, a crucial component of the agricultural industry of the country, and has witnessed significant growth in terms of number of players and range of dairy products on the market in recent years (Halima 2019). However, brand performance in particular companies has remained poor as many brands are phased off as a result of failure to meet companies' specific objectives.

1.1 Background to the Study

In today's competitive business landscape, the relationship between product quality, brand loyalty, and brand performance has garnered significant attention among researchers and practitioners. This is particularly true in the context of the dairy sector in Uganda, where numerous companies are struggling to improve performance of their brands. Understanding how these factors interrelate in the Ugandan dairy industry is crucial for companies seeking to enhance their brand performance and cultivate customer loyalty, through product quality efforts.

Product quality as a concept may have many meaning but in the context of dairy sector a quality dairy product refers to a dairy-based food or beverage that meets specific standards and characteristics, ensuring it is safe, nutritious, and meets or exceeds consumer expectations. (Wantara and Tambrin, 2019). It encompasses various aspects specific to dairy products, including taste, freshness, nutritional value, safety, texture, aroma, packaging, and absence of any defects or contaminants (Halima, 2019). Thus product quality holds immense importance as it serves as a fundamental determinant of consumer perceptions and preferences within the

market. Positive perceptions of product quality can significantly influence brand loyalty among consumers (Atiyah, 2016). Susan Fourner, Michael Breazele, and Mac Fetscherin (2012) Consumer-Brand Relationships: Theory and Practice, suggests that; at the most basic level, marketers value strong consumer- brand relationships because of the financial gain that accrue from the resulting brand loyalty from customers.

In the context of dairy products, brand loyalty represents the deep-seated commitment and preference of consumers towards a particular brand, driven by positive experiences, trust, and emotional connections with the brand and its offerings (Azkan, et al. 2019). Brand loyalty, in turn, encompasses various dimensions, including emotional attachment, perceived value, and overall brand experience (Asnawi, Sukoco and Fanani,2019). It refers to the extent to which customers exhibit a strong preference, repeat purchase behavior, and a willingness to recommend a particular brand over its competitors. In the dairy sector of Uganda, brand loyalty plays a vital role in determining market share, customer retention, and overall brand performance.

Zietsman, Mostert, and Svensson, (2019) assert that brand performance is the extent to which a brand meets the financial and strategic objectives of the firm. It reflects the brand's ability to generate revenue, capture market share, and contribute to the organization's bottom line. Thus brand performance, encompasses metrics such as market share, sales revenue, customer satisfaction, and brand equity, serves as a comprehensive measure of a brand's success in the market (Saldanha, et al, 2019). Understanding how product quality and brand loyalty relate to brand performance is crucial for dairy companies in Uganda, as it allows for an examination of the unique characteristics and challenges faced by companies operating in this particular market.

Although at the sector level the diary sector has registered improved performance, on company level brand performance remain a key challenge, Annual report FY 2020-21

(https://dda.go.ug/assets/files/DDA-annulareport20-21.pdf) dairy subsector and DD performance highlights. Today, many brands have been phased off due to their failure to meet companies' specific objectives (Baguma, 2005). The three priority policy areas by Uganda Dairy Policy Action Plan 2022 include: 1. Increase production of milk to address seasonal supply gaps in the dry season; 2. Increase the demand for Ugandan milk and dairy products in the domestic and export markets; 3. Improve the quality of milk through enforcement and incentives. However, this is still in progressive and hasn't yielded much. Therefore, what is not clear is how brand performance is enhanced by product quality to satisfy customers' needs and wants and create brand loyalty.

1.2 Statement of the Problem

Agriculture employs more than 70% of Uganda's population, and contributes to about 33% of Uganda's export earnings, and makes up about 24% of the country's GDP. The global market alone for dairy products is worth $718.9b. Over the last four years, Uganda's dairy exports hit a record Shs358b, an indication that dairy farmers are gradually embracing the money economy. During the period, 3,500 smallholder farmers' groups are reported to have invested in bulk cooling facilities to enhance milk storage and subsequent value addition by processors to boost this dairy production and productivity, an initiative that was supported by Heifer International, Jesa Dairies and aBi Development (Daily Monitor, April 2022), and Annual report FY 2020-21 (https://dda.go.ug/assets/files/DDA-annulareport20-21.pdf) dairy subsector and DD performance highlights.

Despite the big revenue potential in the diary sector in Uganda that has risen from $131.5m (Shs 480bn) in 2018 to $205m (750bn) in 2020 (Dairy Development Authority annual report 2020), with overall value of marketed milk standing at approximately $850 million (Shs 3.1 trillion),

many local diary brands still struggle for recognition, coupled with poor sales in distribution channels as compared to imported/foreign brands. This could be attributed to low levels of product quality resulting into inadequate customer conviction over foreign dairy products.

There is general consensus between marketing scholars and practioners that product quality drives product/brand loyalty which results in better brand performance in terms of improved market share, brand sales and profitability. This results into better overall performance of firms in a competitive market place (Suresh, Mohanan, and Naresh, 2012). Therefore ensuring product quality and creating brand loyalty all are efforts geared towards attaining better brand performance. As brand performance is a result of quality products that create brand loyalty among customers. However, in the dairy sector of Uganda costly organizational efforts like conducting costly research on brand quality attributes preferred by customer so as to incorporate them in the product in order to create customers brand loyalty seems to have yielded less than expected in the dairy sector of Uganda. This is so because there are many dairy brands that have been introduced on the market and disappeared within less than a year (Dairy Development Authority Report, 2020). Companies have found these brands consuming more resources than they produce in terms of sales volumes. The extent to which brand failures is attributed to brand quality and brand loyalty issues is not known. Besides that, there is less research that has been done if any linking product quality, brand loyalty and brand performance. Therefore, this study is intended to contribute to the aforesaid gaps.

1.3 Purpose of the Study

The purpose of this study was to establish the relationship between product quality, brand loyalty, and brand performance in the diary sector of Uganda.

1.4 Research Objectives

This study was guided by the following objectives

i) To examine the relationship between product quality and brand performance

ii) To establish the relationship between product quality, and brand loyalty

iii) To examine the relationship between brand loyalty and brand performance

iv) To establish the mediating effect of brand loyalty on the relationship between product quality and brand performance

1.5 Research Questions

This study aimed at answering the following questions

i) What is the relationship between product quality and brand performance?

ii) What is the relationship between product quality and brand loyalty?

iii) What is the relationship between brand loyalty and brand performance?

iv) What is the mediating effect of brand loyalty on the relationship between product quality and brand performance?

1.6 Scope of the study

This study was confined to area, subject, and time scope

1.6.1 Area Scope

The study was carried out within the nine dairy confirmed by the dairy development authority (DDA) and these at least have their marketing offices in Kampala city. These are; Brookside Dairy Limited located Opp to Bata and Madhvani , Plot 49-53/55 Fifth Street **Kampala Uganda,** Jesa Farm Dairy located at plot 210-212 Old Port Bell Rd, Pearl Dairy Farms Limited located on Plot 29 B, Acacia Avenue, **Kampala**. Amos Dairies Uganda Limited located at in the town called Akageti Kirihura district, Paramount Dairies Limited located at Plot 28, Kanjokya Street.

Dairy Products (U) **Ltd** is located on old Port bell road **Kampala** Lakeside, Dairy Limited and Dairyman's Cheese

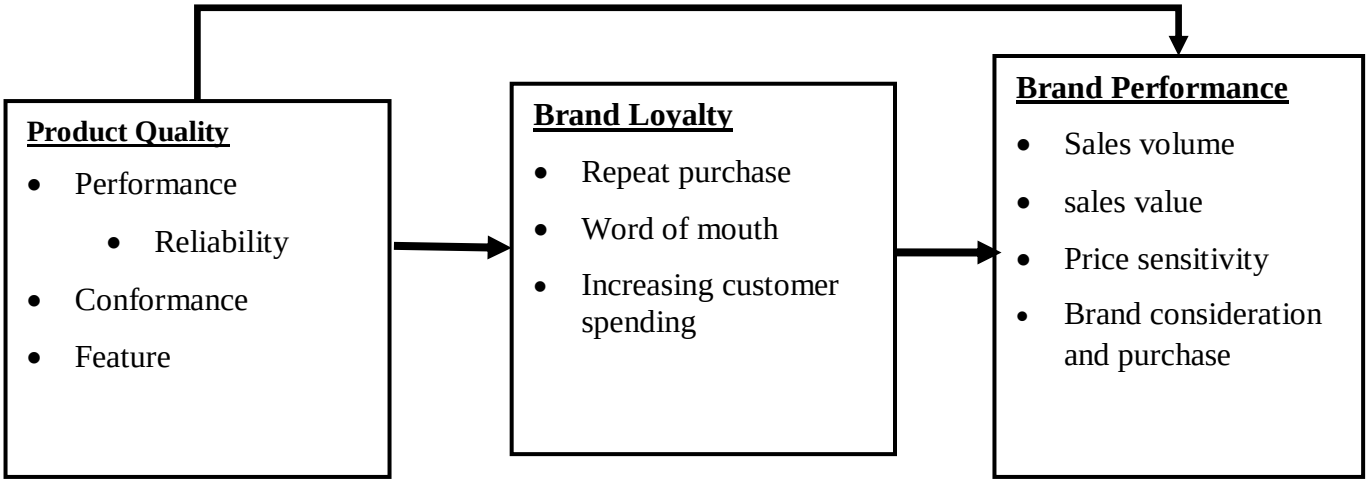
1.6.2 Subject Scope

This study was confined to the relationship between product quality and brand loyalty, the relationship between customer satisfaction and brand loyalty, the relationship between product quality and brand loyalty, the relationship between brand loyalty and brand performance.

1.6.3 Time Scope

The study considered the practices of dairy firms in a period of 2 years starting from 2021, and 2022.

Figure 1: Conceptual Model



Source: Adopted from studies of Sheth and Park, 1974; Aaker, 1991; Chaudhuri, 1999; *Karbasi Taheri and Band (2011) and modified by the researcher*).

From the figure 1 above, it is indicated that the independent variables are product quality which leads to brand loyalty that later predicts brand performance. Product quality for that matter is studied in terms of performance, reliability, conformance and feature in context of milk products

and conformance to use is key. Brand loyalty which is a mediating variable is studied in terms of measures like consumers repeat purchase behavior, customer's word of mouth and increasing proportion of spending. Then brand performance is studied in terms of price sensitivity, market share, sales volume and brand generated profits.

1.7 Significance of the Study

The study was of great significance to the following parties:

To the academicians, the study will provide relevant information in the field of product quality, brand loyalty and brand performance and their value in promoting the economy. Besides that, the information from this study will help future researchers interested in any or all the variables of the study.

To the management of dairy companies since this study will avail them with information concerning brand performance and how it is related to product quality, customer satisfaction and brand loyalty.

To the researcher, the study will help me to fulfill the academic requirements leading to the award of a degree of master's in business administration.

To the economic planners, the study will provide information concerning the risk and economic implication of inadequate brand performance in dairy sector of Uganda so that they can design proper policies to help in improving brand performance in order to save the economy.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This section critically presents the review of the literature related to the relationship between product quality and brand performance, the relationship between product quality and brand loyalty, the relationship between brand loyalty and brand performance and the mediating effect of brand loyalty in the relationship between product quality and brand performance

2.1 Conceptual Framework

Under conceptual framework concepts covered are brand quality, brand loyalty and brand performance**.**

2.1.1 Product Quality

Product quality refers to the characteristics, attributes, and overall excellence of a product that determine its ability to satisfy customer needs and expectations (Asnawi, Sukoco, and Fanani, 2019).The concept of product quality is subjective and can vary across different industries, market segments, and customer preferences. In the context of dairy sector a quality dairy product refers to a dairy-based food or beverage that meets specific standards and characteristics, ensuring it is safe, nutritious, and meets or exceeds consumer expectations. According to Srivasta and Rai, (2018) some of the characteristics of quality dairy product are;-

Safety: A quality dairy product should be free from harmful substances, pathogens, and contaminants that could pose risks to consumer health. Stringent safety measures, such as proper handling, processing, and storage, are implemented to prevent contamination and ensure the product's safety (Zietsman, Mostert and Svensson, 2019).

Nutritional Value: Quality dairy products should provide essential nutrients, including proteins, carbohydrates, fats, vitamins, and minerals. The nutritional composition should be in accordance with regulatory guidelines and meet the dietary needs and expectations of consumers (Zietsman, Mostert and Svensson, 2019).

Freshness: Freshness is a crucial attribute of quality dairy products. Proper storage conditions, refrigeration, and adherence to expiration dates help maintain the product's freshness, flavor, and texture (Zietsman, Mostert and Svensson, 2019). Consumers expect dairy products to be free from spoilage and to have a clean and pleasant taste.

Consistency: Consistency refers to the uniformity of sensory attributes and quality across batches of dairy products. Quality products are produced using consistent manufacturing processes, ingredient sourcing, and quality control measures to ensure that the taste, texture, and appearance meet consumers' expectations.

Labeling and Transparency: Quality dairy products provide accurate and transparent information on their labels, including ingredients, nutritional content, allergen information, and any additional claims or certifications. Clear labeling helps consumers make informed choices and promotes trust in the product (Snyder, 2019).

Manufacturing Standards: Quality dairy products are produced following strict manufacturing standards and guidelines. This includes adherence to Good Manufacturing Practices (GMP), Hazard Analysis and Critical Control Points (HACCP) systems, and compliance with relevant food safety regulations.

Sensory Attributes: Dairy products should possess desirable sensory attributes such as taste, aroma, texture, and appearance. Quality products undergo sensory evaluations to ensure they meet the sensory preferences of consumers.

Customer Satisfaction: Ultimately, a quality dairy product should satisfy consumer needs and preferences. Meeting and exceeding consumer expectations in terms of taste, nutritional value, and overall experience contributes to customer satisfaction and loyalty.

2.1.2 Brand Loyalty

Brand loyalty is just repeat purchases of a particular brand based on the perception of higher quality and better service than any competitor is not dependent on price (Özkan, et al, 2019). The primary reason that brand loyalty is so important to profitability is straightforward: 65% of revenue in most companies comes from repeat business with existing clients. Khairawati (2020) asserts that, not only do existing customers loyal to brands purchase 90% more frequently than new customers, but maintaining the brand-loyal segment is also far less expensive than marketing to attract new customers. According to Priansa (2017: 219) there are 2 main perspective of consumer loyalty in defining and measuring loyalty as behavior and loyalty as attitude, namely (1) behavioral loyalty and (2) attitudinal loyalty. Behavioral loyalty is measured through the purchasing behavior. The measured dimensions are consumers who still actively making purchases and who keep making purchases. Attitudinal loyalty is measured through the consumer attitudes towards the company. In this case, consumers have a high preference and commitment to the company. Loyalty is a combination of customer satisfaction and customer repurchase behavior. Customers who satisfied with particular products/services may enhance their attitudes to support the producer company. These attitudes include give positive comment about products, recommending the company to others, being loyal to the company's products or paying for products at a premium price (Lupiyoadi, 2018:257).

2.1.3 Brand Performance

Brand performance denotes a brand's strength in the market. Brand performance is reflected in its attainment of organizational strategy and goals. It can be measured through its sales growth, profitability and market share. It has also been operationalized utilizing stock market returns. A number of researchers such as Reid (2002), Chaudhuri (2002) and Wong and Merrilees (2007) view brand reputation, awareness and loyalty as a brand's crucial performance. As Doyle (1990) contends, overwhelmed with myriads of choices to make daily, customers tend to turn to brands that have formerly given them the satisfaction. Brands' are built with anticipation that they will sustain the firm's overall performance for years ahead. The brand building in-itself is poised with varied undefined stages, largely manifesting from the well-researched aspects that brands impact the product market , financial market and consumer market (Aaker and Joachimsthaler, 2000). In order to build a brand that stands up to firms performance involves brand performance, Brand performance is the value derived by a brand, as a result of varied brand building activity done around the brand through a specified period.

2.2 Product Quality and Brand Performance

According to Adhikari (2018) it is revealed that product quality is found to have a positive influence on the performance of the product. He further indicates that, it is known to increase the financial benefits associated with the product/brand. Product quality has a positive and direct relation with the financial performance of the company (Chang & Yeh, 2017). The revenue generated from a product increases. Brand loyalty is generated by consumer emotional experiences during the process of using a product brand when consumers interact with the design (Zhang, Zhao, Gupta, 2018). Professionals also need to keep in touch when consumers have

purchased goods to ensure trust and connection. If consumers are already positively associated with a company's product brand, during and after purchasing, this results in advocacy for the product brand. Advocacy for product brands can be more oriented towards word of mouth marketing on social media (Mahoney & Tang, 2017).

Brand performance is the measure of a brand's results against the business and marketing goals (Srivasta & Rai, 2018). While brand delivery focuses on how branding is executed during a marketing campaign, brand performance measures the campaign results to see how effective the branding was for the business. Brand performance is the process of measuring a brand's results against the goals initially set. Brand performance is highly personal and can vary drastically from one brand to another (Jiang & Zhang, 2016).

Brand loyalty reduces the marketing cost of a product. Hence, brand loyalty has a positive and influential impact on the performance of a product. Meesala & Paul (2018) analyzed that loyal customers spread positive words about the product. Loyal customers recommend others about a brand they use and to whom they are loyal to, in turn the sales of the product improves, thus brand performance. Pedro, de, Alves and Leitão (2018), product quality is important on brand performance because it affects the success of the company and helps establish its reputation in customer markets. They further indicate that when companies can create high-quality products that continue to meet customer demands, it can lead to fewer production costs, higher investment returns and increases in revenue.

Product quality is paramount to the business’s bottom line. As Suhendar & Ruswati (2019) identifies the six reasons why product quality is important, the first one is that quality helps a company to builds trust within their customers. For Jiang & Zhang (2016) revealed that most businesses won’t succeed if they can’t build customer trust; countless potential sales are lost

when brands fail to make deeper connections with prospective buyers. Besides that Pedro, de, Alves and Leitão (2018) indicates that it also fuels recommendations that affect sales of the product. This is so because most people trust recommendations from friends and family above all other forms of advertising when making a purchase decision. This is why, when it comes to influencing consumers, nothing comes close to beating word of mouth.

The other reason why quality affects brand/product performance is that it results in fewer customer complaints and returns (Hoe and Mansori, 2018). Marketing studies have proved again and again that companies that produce high-quality products obtain more repeat business. Spending more time and money upfront perfecting a product before it hits the market will minimize customer complaints and returns (Jiang and Zhang, 2016). There is a close relationship between product quality with customer satisfaction and company profitability where the product with high quality is positively correlated with customer satisfaction (Abdullah & Tantri, 2019: 43). Arianty (2015) also reports that product quality is related to its ability to satisfy consumers, which is sometimes accompanied by customer's feedback for future improvement. Product quality has a positive and significant effect on consumer brand loyalty because high quality products will attract consumers to buy repeatedly and will recommend others to buy (Nuridin, 2018). This means that when improving product quality will help increase consumer loyalty. Therefore building and maintaining brand loyalty is a central theme of marketing practice and theory in establishing a sustainable competitive advantage (Sugiarti,Thoyib, Hadiwidjojyo & Setiawan, 2013).

There are at least four cognitive based determinants of satisfaction. First, expectancy disconfirmation theory says that customers form prospect as benchmarks from which performance is rated. Disconfirmation has been established to be a significant determinant of

satisfaction. Second, perceived performance also affects satisfaction assessment (Tugba, 2022). Support for both expectancy disconfirmation and performance evaluations in a customer satisfaction situation has been established (Oliver & Burke, 1999). Third satisfaction influences by equity (Anita & Pranay, 2022). In a study of payment equity, it is found that satisfaction is directly affected by normative comparisons of payments (Anita & Pranay, 2022).

Tugba (2022) brand loyalty has been described as behavioral response and as a function of psychological processes, which means that brand loyalty is a function of both behavior and attitudes. Most studies in brand loyalty have been concentrated on the behavioral aspect of brand loyalty (e.g. repeat purchases) without considering the cognitive aspects of brand loyalty (Adi, 2017). Repurchase action is not sufficient evidence of brand loyalty since the purchasing practice should be intentional, in order to be considered as brand loyalist, consumer should have the intention to buy the same product or services at all the time.

In addition; brand loyalist would also include some degree of commitment toward the quality of a brand that is a function of both positive attitudes and repetitive purchases. Khoury (2014) understanding loyalty is essential for marketing practitioners as loyal customers are less likely to switch and make more purchases than similar non loyal customers (Reichheld, 1996), thus if the company can retain just 5% more of its loyal customers, profits will increase by 25% - 125%. Reichheld's (1996) further supported by Strauss and Frost (1999), who suggest that relationship marketing is cost effective; it is less expensive to retain one customer than to acquire one; it is easier to sell more products to one loyal customer than to sell the same amount to two new customers. According Davcik et al., (2015), the term brand in the modern world has attracted the attention of researchers and practitioners and it was defined as a supplier's guarantee that it will consistently and continuously transport on its promises including promises implicitly or

explicitly produced by convenience and benefits to the customer, specific quality thresholds and tangible features. There are some factors extending beyond the fictional characteristics that are intrinsic to services and goods that are traded under those brand names (Aaker, 1991). These added intangible values might tell the difference from a product to its competitors having effect not only on the costumer's preferences but increase the satisfaction levels of customers which are always leading to much greater loyalty among customers (Davcik et al., 2015). Studies in the second millennium contend that the term brand is a highly contextualized entity susceptible to diverse contemporary approaches and understandings and consequently to a never-ending theoretical development process. Theoretical development processes in this context, however are observed generally in two distinct techniques. One is from a nominal perspective while the other is the real form (Gabbott and Jevons, 2009). The term brand loyalty and customer loyalty have been consciously or unconsciously mixed used in various studies (Yang and Peterson, 2004). In the present study they refer to the same meaning and they are used interchangeably. The early definitions of brand loyalty focused on the behavioral aspects of brand such as Tugba (2022). Later the definitions of brand loyalty have emerged to include the behavioral and attitudinal aspects. Brand loyalty was associated with the emotional attachment (Aaker, 1991) and the repeat purchase based on attitude toward the brand (Oliver, 1997). Other definitions revisited the behavioral aspect of brand loyalty during 2000s. The attitudinal aspect of brand loyalty was also a focus on some recent definitions (Sheth and Mittal, 2004). More recent definition by Hosseini et al. (2015) was a reproduction of the definition of Oliver (1997) which focused on both attitudinal and behavior aspects of brand loyalty. This shows that the brand loyalty in both aspects is still dominant in the literature of brand loyalty, following which the present study adopts the definition of Oliver (1997).

2.3 Product Quality and Brand Loyalty

Product quality is one of the important element in the business word is providing value to customers which does not only include objects that are tangible but also objects that are intangible, that is including packaging, service characteristics, brand name as well as performance quality. Customer's satisfaction and value is thus linked to a product's quality which has a significant impact towards service performance or the product (Kotler & Armstrong, 2012). However, according to Rust et al (2002), the term quality has been so overused that its meaning is not easy to determine because of the so much attention that have been devoted by academics and practitioners. Moreover, most authors accept the qualification of product quality by Tugba (2022) which states that, product quality is defined based on either extrinsic cues that is the external quality or the intrinsic cues which is the internal quality of a product.

Customer's perception regarding extrinsic cues such as warranty, brand, country of origin or price according to Teas and Agarwal (2000) is based on the quality externally. The dimensions of product quality according to Tugba (2022) is the totality of product characteristics that has the capability or capacity of satisfying the expectations of consumers. Clients was highly happy and consider that a product is of higher quality and is acceptable when a product meets their expectations. These dimensions according to Garvin (1984) include the following: Performance, Feature, Reliability, Conformance, Durability, Service Ability, Aesthetics, and Perceived Quality. According to Priansa (2017) there are 2 main perspective of consumer loyalty in defining and measuring loyalty as behavior and loyalty as attitude, namely (1) behavioral loyalty and (2) attitudinal loyalty. Behavioral loyalty is measured through the purchasing behavior. The measured dimensions are consumers who still actively making

purchases and who keep making purchases. Attitudinal loyalty is measured through the consumer attitudes towards the company. In this case, consumers have a high preference and commitment to the company. Loyalty is a combination of customer satisfaction and customer repurchase behavior (Hoe and Mansori, 2018). Customers who satisfied with particular products/services may enhance their attitudes to support the producer company. These attitudes include give positive comment about products, recommending the company to others, being loyal to the company's products or paying for products at a premium price (Lupiyoadi, 2018). Product quality is a major point for the company's existence (Priansa, 2017: 51). Quality can influence consumers to establish strong relationships with companies by defining consumer expectations carefully. According to Tjiptono& Diana (2019: 93), there are 8 factors that is commonly used by consumers to evaluate their satisfaction or dissatisfaction on particular products, namely (1) performance, (2) features, (3) reliability, (4) conformance to specifications, (5) durability, (6) serviceability, (7) aesthetic, and (8) perceived quality.

Brand loyalty should be maintained as a major priority by company. Brand loyalty is a psychological commitment of the customer on a particular brand. Loyal consumers offer sustainable revenue for a company by remaining with the brand or supplier and rejecting competitor offerings (Tjiptono & Diana, 2019). Priansa (2017) identified loyalty as a long-term commitment and willingness of customers to repurchase the service or product, and to maintain a relationship with the service provider or supplier. Therefore, to retain the organization’s current customers and to make them loyal is a critical component for a company to be successful. According to Kotler & Kotler (2018) company should invest to create loyal customer due to it contributes to increase companies profitability. Loyal customers offer a steady stream of revenue for a company by remaining with the brand or supplier, positive word-of-mouth, willing to pay

higher prices and are less price sensitive (Abdullah & Tantri, 2019). A study in the retail companies in Pakistan shows that customer satisfaction is a partial mediating variable which connects between product quality company images and perceive value on customer loyalty (Ishaq et al., 2014). Other study in the hotel industry also indicates that there is a positive relationship between service quality and customer loyalty through the satisfaction as an intervening variable (Priyo et al., 2019).

Hartono and Raharjo (2015) separated cognitive satisfaction and effective satisfaction as an intervention to customer loyalty in the hotel industry in Surabaya City, Indonesia. It is known that the two satisfaction variables have a significant role as intervening variable which connect between service quality and customer loyalty. Andreas (2016) examined the effect of product quality on customer loyalty with satisfaction as an intervening variable in the restaurant industry. He further reported that, product quality had a significant and positive effect on customer satisfaction and customer loyalty. Customer satisfaction has a significant and positive effect on customer loyalty. Customer loyalty should be maintained as a major priority by company. Customer loyalty is a psychological commitment on a particular brand.Loyal consumers offer a sustainable revenue for a company by remaining with the brand or supplier and rejecting competitor offerings (Tjiptono& Diana, 2019:297).Priansa (2017:217) identified loyalty as a long-term commitment and willingness of customers to repurchase the service or product, and to maintain a relationship with the service provider or supplier. Therefore, to retain the organization's current customers and to make them loyal is a critical component for a company to be successful. According to Kotler & Kotler (2018:193-195) company should invest to create loyal customers because that contributes to increased company profitability. Loyal customers offer a steady stream of revenues for a company by remaining with the brand or supplier,

positive word-of-mouth, willingness to pay higher prices, and are less price sensitive (Abdullah & Tantri, 2019:45). A study in the retail companies in Pakistan shows that customer satisfaction is a partial mediating variable which connects between product qualities, company image and perceive value on customer loyalty (Ishaq et al., 2014). Other study in the hotel industry also indicates that there is a positive relationship between service quality and customer loyalty through the satisfaction as an intervening variable (Priyo et al., 2019). Hartono &Raharjo (2015) separated cognitive satisfaction and effective satisfaction as an intervention to customer loyalty in the hotel industry in Surabaya City, Indonesia. It is known that the two satisfaction variables have a significant role as intervening variable which connect between service quality and customer loyalty. Andreas (2016) examined the effect of product quality on customer loyalty with satisfaction as an intervening variable in the restaurant industry. He reported that product quality had a significant and positive effect on customer satisfaction and customer loyalty. Customer satisfaction has a significant and positive effect on customer loyalty. The indirect effect of product quality on customer loyalty through the mediation of customer satisfaction has a higher coefficient value than the direct effect. This means that customer satisfaction plays an important role as a mediation variable in order to create customer loyalty. Therefore, the following hypotheses can be formulated. As brand loyalty is similar to customer loyalty then Customer loyalty is one of the purposes companies are marketing strategy implementation. Musanto (2004) opined that the behavior of customers who buy a product continuously and to establish customer loyalties to a particular organization is what's known as loyalty. Loyalty is the commitment customers have to a certain supplier, brand or store which reflected based on their positive behavior throughout their repeat purchase (Mittal, 2004). The company's

main purpose in establishing as well as creating a relationship with their clients is to create or build loyalty behavior that is very strong.

Customer loyalty dimensions are four categories according to Tugba (2022), namely: 1) Make purchases regularly; Customers will make purchase regularly when they engage in a transaction with the organization thereby deriving satisfaction with what the process. Moreover, this will help them in forming a close and a cordial relationship with the client as well as what he or she desire. 2) Clearly demonstrate immunity to the pull of rivals; Clients are confident with the usage of the products thereby making it very hard for them to easily switch to other competitor's products because they have confidence in the company and its brand. Therefore, they refuse to acknowledge other products. 3) Recommend products to others; customers will also recommend the product to others; this will make them good spokesperson to other customers and a greater asset to the organization besides recommending the products and brands of the company to others. 4) Buy inter-line products and services; here, customers may add other items from the purchased product because they are not just purchasing one category of product after another, but they are purchasing for their product accessories as well

2.4 Brand Loyalty and Brand Performance

Hakan and Hülya (2016) suggested that there is a positive relationship between brand loyalty (purchase and attitudinal loyalty) and brand performance (relative price and market share). They argue that a high purchase loyalty will increase the market share of a firm. This research was supported by the Double Jeopardy Theory (Özkan et al, 2019), which said that the brand which owns a small market share will have only few buyers and the purchasing frequency will also be small, vice versa. Other researchers, (Hakan and Hülya, 2016), discovered that brand which owns a high purchase loyalty will increase the market share of the brand. In general, before

establishing the relationship between brand loyalty and brand performance, it is prudent to first define the concept of loyalty in its general perspective. Many scholars have defined the concept, (Bianchi, 2015) loyalty is a biased response towards a brand or product expressed over a period of time and is defined by the purchase pattern of a decision making unit which may be an individual, a household or a firm.

According to Cheng, Qian, Fang, and Chen, (2015) brand loyalty is found to have a positive influence on the performance of the product. It is known to increase the financial benefits associated with the product. He further revealed that brand loyalty has a positive and direct relationship with the financial performance of the company. The revenue generated from a product increases. For Drennan, Judy, Constanza Silvia, Sandra Nathalie, and William (2015) revealed that, brand loyalty is a consumer's preference to buy a particular brand in a product category. It occurs when consumers perceive that the brand offers the right product features, images or level of quality at the right price. This perception may translate into repeat purchase resulting in loyalty. Brand Loyalty is therefore related to a customer's preference and attachment to a brand. It may occur due to a long history of using a product and trust that has developed as a consequence of the long usage (Dawes, John, Lars Meyer-Waarden and Carl, 2015).

A loyal customer base can also be extremely helpful to any business, because they are more likely to remain loyal to the company's products even if they encounter other products that may be comparable or better, as long as they have had a positive experience with the brand (Özkan et al, 2019). This is especially helpful in the case of businesses that sell very specific products or services where it is unlikely that there were many comparable products on the market (Asnawi, Sukoco and Fanani, 2019). This in return, increases the sales of a particular product, thus increasing sales which are among the measures of brand performance highlighted in the model.

Brand loyalty is an important thing to measure because it informs how customers feel about the brand (Chung, Sunghun and Jooyoung, 2015). If the company has high brand loyalty that means that they are gaining customers who will purchase their products again in the future. Brand loyalty consists of attitudinal and behavioral loyalty, and all of which contribute to brand performance. According to Larsson& Broström (2020), it is established that brand loyalty has been shown to have two components: an attitudinal component and a behavioral component. Brand loyalty is a driving force for business growth and an important asset for businesses, as it ensures stable and sustainable profits for the company and is an important factor for consumers. Brand loyalty theories suggested that loyalty to brands is the outcome of several factors comprising affective, behavioral and attitudinal dimensions (Coelho, Rita, & Santos, 2018). Customer loyalty as defined by Oliver as a deeply held commitment to re-buy or re-patronize a preferred product or service consistently in the future despite situational influences and marketing efforts having the potential to cause switching behavior (Snyder, 2019).

The study further established that efforts by dairy companies to build strong brand is driven by the belief that strong brands have a number of benefits for a company, the retailer, the consumer and for society as a whole. Strong brands help the consumer locate and identify products and evaluate their quality and makes it easier for them to develop attitudes and expectations (Pelsmacker, Geuens, and Van den Bergh, 2001). Branding also makes shopping more efficient as it tends to reduce the amount of decision-making time required and the perceived risks of purchase since a brand promises a constant level of quality (Pelsmacker et. al., 2001). Brand loyalty is a consumer's preference to buy a particular brand in a product category. It occurs when consumers perceive that the brand offers the right product features, images or level of quality at the right price. This perception may translate into repeat purchase resulting in loyalty. Brand

Loyalty is therefore related to a customer's preference and attachment to a brand. It may occur due to a long history of using a product and trust that has developed as a consequence of the long usage. One of the most comprehensive and most cited conceptual definitions of brand loyalty was forwarded by Jacoby and Chestnut (1978). Jacoby et al, defines brand loyalty as "the biased, behavioural response, expressed over time, by some decision-making unit, with respect to one or more alternative brands out of a set of such brands, and is a function of psychological decision-making, evaluative processes." Cunningham (1956) identified three definitions of brand loyalty comprising; customers lost and gained over specific time periods; time sequences of individual purchases and share of the market (Smith). Olsen and Jacoby (1971) used factor analysis to conceptualized brand loyalty and found that brand loyalty is related to; percentage of purchase devoted to the most purchased brand, number of different brand purchased over the past two years, number of times the favourite brand was purchased out of the last five purchases, three consecutive purchases out of the last five purchases and the actual number of consecutive purchases of favourite brand out of the last five purchases (Smith). Based on the summary by Smith brand loyalty as defined by Cunningham (1956), Day (1969) Buford, Enis and Paul (1971), Olson and Jacoby (1971) behavioral loyalty is expressed in the form of 'repeated purchase' of the brand (Smith, 2003

2.5 The Mediating Effect of Brand Loyalty on Product Quality and Brand Performance

The mediating effect of brand loyalty is derived from the fact that product quality exclusively results into loyal customers who continue with the product overtime. Wantara and Tambrin, (2019) it is indicated that a successful brand is an exclusive product (industrial or consumer), place, person or service, amplified in such a way that the user or buyer perceives significant and exclusive added values, which go with their needs closely. If a brand provides superior quality

over many years of regular use, it gains added value of acquaintance and proven trustworthiness which indicates better product performance (Zietsman, Mostert and Svensson, 2019).

Barnes in Priansa (2017) stated that loyalty is evidence of emotions that transform repeat buyer behavior into a relationship. This loyalty leads to repeat purchases, recommendations, and an increasing proportion of spending. Griffin in Prinsa (2017) further stated that the concept of loyalty is more directed to-wards behavior than attitudes and loyal customers will show purchasing behavior that can be interpreted as a regular purchase pattern and for a long time, which is carried out by the maker or collection units. Kotler & Keller (2009) revealed that creating strong and close relationships with customers is the dream of all marketers and is the key to long-term marketing success.

A quality product will make customers like the product and they can still buy the product (Fuentes-Blasco et al., 2017). When a customer wants to buy a quality product or service, the customer must be satisfied first. When customers are satisfied with the quality of a product, the customers will remain loyal to the product or service. In this way, customers will continue to search and buy, promote and recommend to others to buy by word of mouth. So, customer satisfaction has an important role in mediating the relationship between product quality and consumer loyalty (Delcourt et al., 2013). Products are any items that are distributed to the market for attention, purchase, use or consumption with the aim of satisfying consumer wants and needs (Kotler and Amstrong, 2012). Product quality is an important function and perceptions of consumer performance related to existing product attributes or services (Albayrak, 2015). Basically, consumers always see and evaluate the quality of products in the market before buying (Adhikari, 2018). Normally consumers look for high quality products. Good product quality, use according to function, durable and not easy to damage (Izquierdo & Samaniego, 2007).

Fuentes-Blasco et al., (2017) product quality has a positive and significant relationship on customer brand loyalty because high quality products will attract consumers to buy repeatedly and will recommend others to buy. This means that when improving product quality will help increase brand loyalty. A successful brand is an exclusive product (industrial or consumer), place, person or service, amplified in such a way that the user or buyer perceives significant and exclusive added values, which go with their needs closely (Fuentes-Blasco et al., 2017). Cakici, Akgunduz and Yildirim (2019), a relationship between product quality and brand loyalty can be established using a repurchase action is not sufficient evidence of brand loyalty since the purchasing practice should be intentional, in order to be considered as brand loyalist, consumer

CHAPTER THREE

METHODOLOGY

3.0 Introduction

This section indicates how data for the study was collected, analyzed and interpreted in order to answer the research questions, thereby meeting the purpose of this study. This section comprises research design, study population, determination of sample size, sampling techniques, data collection methods, data collection instruments, quality control, data collection procedures, data analysis, measurement of variables, and ethical considerations as well as anticipated limitations.

3.1 Research Design

This study used a cross sectional research design. This design has been chosen because it was important for the researcher to find out the opinion of a cross section of the population about a subject under investigation. In this study, quantitative data was used and the questionnaires were designed and administered to the respondents.

3.2 Study Population

The population of this study constituted 33 dairy firms in Uganda according to Dairy Development Authority (DDA Report, 2019). Using Krejcie and Morgan 1970 table sample determination 32 firms were selected.

3.3 Determination of the Sample Size, units of analysis, inquiry and Sampling Methods

From a sample of 32 dairy firms in Uganda, 5 managers were selected from each dairy firm. The 5 managers were selected using purposive sampling method. This makes 160 respondents as our unit of inquiry and 32 dairy firms as our unit of analysis. Purposive sampling method was used because not all managers within the companies are conversant with brand performance so only

those with clues in brand performance were purposively selected. The details of this was as reflected in the table 1 below

Table 3.1: Sampling Frame

no	Population of dairy firms	Sample of dairy firms	Managers from each firm	Total sample
1	33	32	5	160

Source (Company Records, 2022)

3.4 Data Sources

Both primary and secondary data sources were used in the study; whereby primary data was obtained from the respondents using the research instruments. Secondary data sources like media reports, research journals and industry reports, publications by various industry associations and other publications were used. The primary data sources were consulted after failure of secondary data to provide sufficient information to the research questions.

3.5 Instruments of Data Collection

The study used questionnaires and documentary checklists as instruments of data collection.

3.5.1 Questionnaires

Self-administered questionnaires were used in collecting data from managers. This question were five point likert scale ranging from strongly agree (5), agree (4), not sure (3), disagree (2) and strongly disagree (1). The five point scale was adopted because it gives the respondents a wide range of options to express their opinions on a given statement, than those with less scale.

3.5.2 Documentary Checklist

The checklist was prepared basing on the research objectives, and secondary data sources were checked for that specific list in order to capture data related to the objectives.

3.7 Validity and reliability of instruments

3.7.1 Content Validity

CVI establishes whether the research instrument measures what it intended to measure. In this study therefore to determine CVI, the instrument was given to experts who will scores it.

Then, valid scales were compared with the total on the instrument time's 100 i.e. valid scales/total x 100%. The target should be to have CVI ≥0.5

3.7.2 Reliability

The reliability of instruments was ensured using test and pre-test of the instruments, whereby before questionnaire real administration they were first pre-tested in an environment similar to where it was to be administered. Then the pre-test results were input in SPSS and Cronbanch Alfa-coefficient was calculated and any result below ≥0.7 rendered the researcher to review the instrument.

Table 3.2: Showing Results of Content Validity Index and Cronbach Alfa-Coefficient

Variables	Cronbach' Alpha	Items
Product quality	0.922	15
Brand loyalty	0.872	11
Brand performance	0.856	11

Source: Primary Data

3.8 Data Analysis

After data collection data was edited for accuracy, uniformity, consistency and completeness and arranged to enable coding and tabulation before statistical analysis. After coding data, it was input in the SPSS for processing. Descriptive analysis (frequency tables) and inferential analysis (correlations and regressions) was performed.

3.9 Measurement of Variables

The variables in this study are product quality, brand loyalty and brand performance. Since products considered in the study are dairy products then product quality was measured using performance, reliability, conformance and feature as by Kotler & Armstrong (2005) and used the instruments of five point Likert scale in measure the opinions of different respondents. Brand loyalty was measured using the Moisescu, Ovidiu-Ioan (2014), repeat purchase, words of mouth and increasing proportion of customer spending while brand performance was measured using, sales volume, sales value, price sensitivity and brand consideration and purchase the degree of price sensitivity of the product. In this study the five point Likert scale was adopted in the instruments

3.10 Ethical issues

The researcher ensured that no respondent is harmed as a result of the research. The researcher maintained anonymity, the respondents were freely engaged in the study, and the study's aim was disclosed to the participants. A letter of introduction from the university were also requested, which adequately identified the researcher and the purpose of the research

3.11 Limitations

i) It was predicted that certain study data would be difficult to get. During the writing of this proposal, for example, certain papers were difficult to find and access. However, the researcher found a solution by browsing the internet and using online libraries for quality data.

ii) Non-response of target respondents. Some of the anticipated respondents are expected not to cooperate during the process. This is due to fear, of being spied on but the researcher will do

everything necessary to guarantee that they comply by explaining the purpose and objective of the study.

iii) Time constraints. Since this study has a deadline, the research activities were restricted by it, as certain aspects of the study's activities are time-bound. However, the researcher will address this difficulty by working relentlessly and following a strict time table and halting other activities to create time for the study.

CHAPTER FOUR

ANALYSIS, PRESENTATION, AND INTERPRETATION OF FINDINGS

4.0 Introduction

This chapter presents the analysis, presentation and interpretation of findings on the research topic examining the relationship between product quality, brand loyalty and brand performance in the Dairy Sector of Uganda. The chapter presents and interprets the findings systematically according to research objectives, which are (i) to examine the relationship between product quality and brand performance, (ii) to establish the relationship between product quality, and brand loyalty, (iii) to examine the relationship between brand loyalty and brand performance and (iv) to establish the mediating effect of brand loyalty on the relationship between product quality and brand performance.

4.1 Response Rate

This section presents the overall response rate, in total there were 160 numbers of questionnaires designed and administered 160 out of these 113 questionnaires were returned from the field exercise. This implies that a response rate was 71%.

4.2 Background Characteristics of Respondents

The determination of whether the respondents in a specific study are a representative sample of the intended population for extrapolation purposes requires the use of demographic information, which gives data about research participants. Determining the representativeness and accuracy of data taken from the population sample is also aided by this. The background variables provided in the section are: sex, age, length of service, and highest level of education. This can further facilitate in the understanding the critical aspects of the study.

4.2.1 Sex of Respondents

The responses were sought from the respondents on the sex, marital, education, and duration of the respondents involved in the study. The results on that effect were as shown in the table 4.3 below;

Table 4.3: Respondents characteristics

Characteristics	**Category**	**Frequency**	**Percent**
Sex	Male	79	69.9
	Female	34	30.1
	Total	**113**	**100**
Marital Status	Single	32	28.3
	Married	69	61.1
	Divorced	12	10.6
	Total	**113**	**100**
Education	Secondary	12	10.6
	Diploma	22	19.5
	Degree	67	59.3
	Postgraduate	12	10.6
	Total	**113**	**100**
Duration	1-2	12	10.6
	3-4	28	24.8
	5-6	19	16.8
	Above 6	54	47.8
	Total	**113**	**100**
Age	26-30	32	28.3
	31-35	44	38.9
	36-40	35	32.7
	Total	**113**	**100**

Source (Primary Data)

From the table 4.3 majority of respondents were male with 79(69.9%) and female respondents constituted only 34(30.1%). This means that majority of respondents were males and this corresponds well with the employment structure of Uganda, which shows that male are more employed than females.

The table shows that out of the total 113 respondents, 33 (28%) of the total were single. The majority of the respondents 72 (61%), were married, and a smaller proportion of the respondents, 13 (11%) were divorced. This means that majority of respondents were married meaning that many were responsible people.

From the table 4.3 above indicate that out of the total 113 respondents, 13 (11%) have a secondary education level. Results also show that 23 respondents (19.5%) have completed a diploma program. The majority of the respondents, 69 (58.5%), have obtained a degree and the least 13 respondents (11%) have pursued education beyond a degree, such as postgraduate. From the given information, it can be observed that a significant proportion of the respondents have a degree, followed by diploma and post-degree qualifications.

The table 4.3 above indicates that among the total 113 respondents, 12 (10.6%) have worked in the dairy sector for a period of 1-2 years. Another 28 respondents (24.8%) have a work experience of 3-4 years in the dairy sector, followed by 19 (16.8%) have been working in the dairy sector for a period of 5-6 years and the majority of the respondents, 54 (47.8%), have worked in the dairy sector for more than 6 years. Given the information, it was observed that a significant portion of the respondents have worked in the dairy sector for more than 6 years. So their response was worth relied on.

Regarding the age, results posit that out of the total 113 respondents, 32 (28.3%) fall within the age range of 26-30. The majority of the respondents, 46 (38.9%), belong to the age range of 31-35, and 35 (32.7%) are between the ages of 36-40. Therefore it can be observed that the highest number of respondents falls within the age range of 31-35.

4.3 Relationship between Variables

Under this section the relationship between variables is established using Pearson's correlation coefficient. The coefficient range between +or -0 to + -1. Whereby +or -1 indicates a perfectly positive or negative relationship between variable and +or – indicating no relationship between variable.

Table 4.8: Correlations Analysis

		1	2	3
Product Quality (1)	Pearson Correlation	1		
	Sig. (2-tailed)			
	N	113		
Brand loyalty (2)	Pearson Correlation	.795**	1	
	Sig. (2-tailed)	.000		
	N	113	113	
Brand Performance (3)	Pearson Correlation	.772**	.702**	1
	Sig. (2-tailed)	.000	.000	
	N	113	113	113

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

Source (Primary Data)

The table provides the correlation coefficients (Pearson correlation) between the variables of product quality, brand loyalty, and brand performance.

4.3.1 The Relationship between Product Quality and Brand Performance

Objective one was to examine the relationship between product quality and brand performance. Results show that there was a positive significant relationship between Product Quality and Brand Performance ($r=.772$, $p<.01$). This implied that a change in Product Quality is associated with a change in Brand performance.

4.3.2 The Relationship between Product Quality and Brand Loyalty

Objective two was to establish the relationship between Product Quality and Brand Loyalty. Findings also posit that there was a positive significant relationship between Product Quality and Brand Loyalty ($r=.795$, $p<.01$). This means that a change in Product Quality is associated with a change in Brand Loyalty.

4.3.3 The Relationship between brand loyalty and brand performance

Objective three was to establish the relationship between brand loyalty and brand performance. The results reveal that there was a positive significant relationship between Brand Loyalty and Brand Performance ($r=.702$, $p<.01$). This means that a change in Brand Loyalty is associated with a change in brand performance.

4.4.5 Regression Analysis

This section presents the regression results between variables, the independent variable product quality, the dependent variable brand performance and the mediating variable brand loyalty. The results are as presented in the figure 1 below;

Table 4.9: Regression Analysis

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.861	.239		3.606	.000
	Product Quality	.538	.090	.582	5.982	.000
	Brand Loyalty	.238	.097	.239	2.457	.016
	R=.772					
	R^2=.596					
	Adjusted R^2= .593					
	F=88.741					
	Sig=.000					

a. Dependent Variable: BP

Source: primary data

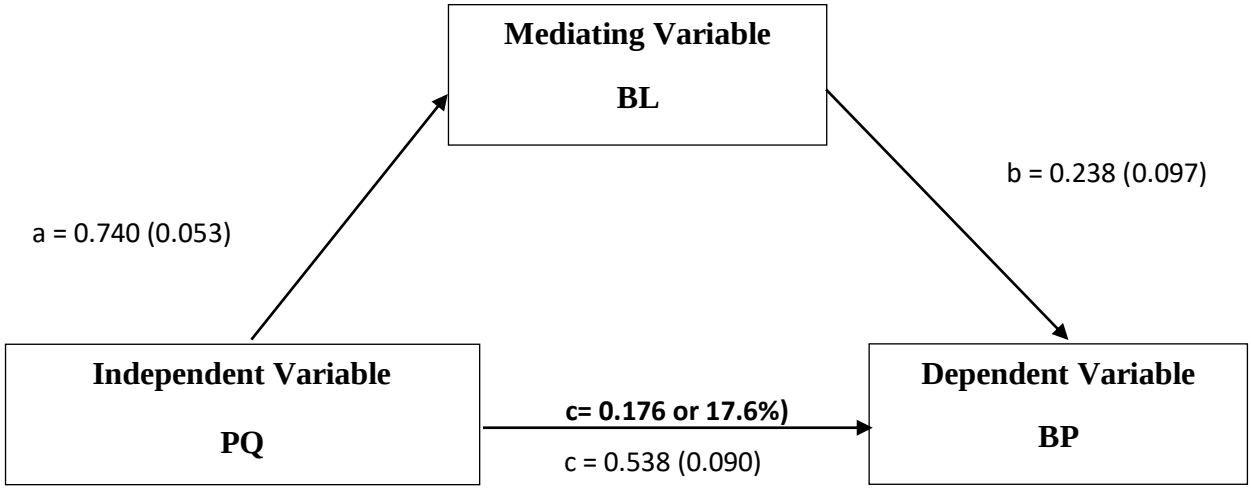
The results in table 4.9 above indicate that 59.3% (Adjusted R Square= .593) of the variation in Brand Performance which is explained by Product Quality and Brand Loyalty. This means that the remaining 41.7% is explained by other variables not considered in this study. The findings further show an Adjusted R Square value of 0.593 which reflect that the sample reflected 59.3% of the phenomenon obtaining in the population studied.

In addition, the results show that a unit increase in product quality corresponds to a 0.582 unit increase in Brand Performance (Beta =0.582, P<0.01). Similarly, a unit increase in Brand Loyalty is associated with 0.239 increase in Brand Performance (Beta =0.239, P<0.01). Further, Product Quality and brand loyalty were both significant predictors of Brand Performance. Product Quality (Beta= 0.582, p<0.05) and brand loyalty (Beta=0.239, p<0.05). Product quality explains/predicts 58.2% of the variance in the dependent variable, the remaining 41.8% being explained by other factors. Brand loyalty explains 23.9% of the variance in the dependent variable, the remaining 76.1% being explained by other factors. The finding shows that management can manipulate product quality to positive changes in the dependent variable given that it explains more of the variance in the dependent variable.

4.4.6 The Mediating Effect of Brand Loyalty on the Relationship between Product Quality and Brand Performance

Figure 1: Partial Mediation

Point Effect = 0.176



Model summary:
Total Effect: 0.714
Direct Effect: 0.538
Indirect Effect: 0.176

Objective (IV) of the study established the mediating effect of Brand Loyalty (BL) in the relationship between Product Quality (PQ) and Brand Performance (BP). To be able to establish this objective, an online Sobel Test calculator was used to determine the indirect effect and significance of the mediation.

To be able to establish this objective, a four step mediation analysis process is performed using SPSS by first determining unstandardized coefficients of beta and standard error values and then an online Sobel Test calculator is used to determine the indirect effect and significance of the mediation. The four steps process is as given below:

Tables 4.10-13 display the SPSS regression output. These tables display the unstandardized and standardized regression coefficients, standard errors, the Beta and p-values.

4.4.6.1 Regression Analysis of PQ on BP

Table 4.10: Effect of PQ on BP		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	1.131	.217		5.223	.000
	PQ	**.714**	**.056**	.772	12.806	**.000**

a. Dependent Variable: BP

Table 4.10 above shows that the independent variable (PQ) is a significant predictor of the dependent variable (BP), Unstandardized Coefficients (Beta=0.714, Std. Error =0.056, $p < .01$). This signifies the total effect of PQ on BP which is 0.714.

4.4.6.2 Regression Analysis of PQ on BL (Pass "a")

Table 4.11: Effect of PQ on BL		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	1.137	.208		5.474	.000
	PQ	**.740**	**.053**	.795	13.826	**.000**

a. Dependent Variable: BL

Table 4.11 above shows that the independent variable (PQ) is also a significant predictor of the mediating variable (BL) unstandardized coefficients (Beta = .740, Std Error=0.053, $p < .001$). The direct effect of PQ on BL was determined in order to find the unstandardized **Beta** coefficient and **Standard Error** for path "**a".** This is an essential requirement for calculating the **indirect effect** (c'=a*b).

4.4.6.3 Regression Analysis of PQ & BL on BP (Path "b" & "c")

Table 4.12: Effect of PQ & .BL on BP

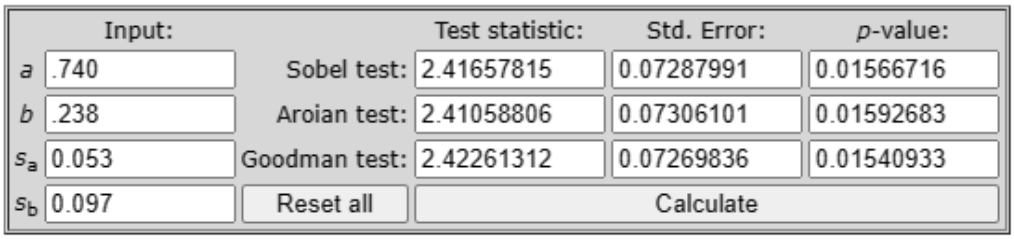
		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	.861	.239		3.606	.000
	PQ	**.538**	**.090**	.582	5.982	**.000**
	BL	**.238**	**.097**	.239	2.457	**.016**

a. Dependent Variable: BP

Table 4.12 indicate that while controlling for the independent variable (PQ), the mediating variable (BL) is a significant predictor of the dependent variable (BP), unstandardized coefficients (Beta = .238, Std. Error = 0.097, p < .001). That is, path "b". Additionally, path "c" which is the direct effect of PQ on BP is statistically significant with unstandardized coefficients (Beta = 0.538, Std. Error = 0.090, P<0.01).

4.4.6.4 Indirect effect (Sobel Test)

We utilize the Sobel Test and got the following results:



Results in the figure above show that Test Statistic = 2.41657815; Std. Error = 0.07287991; P-Value = 0.01566716. P-value < 0.01 was statistically significant proving the existence of an indirect effect**.** Z-value >1.96, indicating BL was significantly mediating between PQ & BP. Point Effect/Indirect effect at which the p-value is statistically significant, c'= a*b which is 0.740*0.238 = 0.17612. Therefore, 0.176 is the point effect of the indirect effect between PQ and BP through BL variables at the p< 0.01 as shown by the Sobel Test above. Since the p≤ 0.01, the results therefore indicate that BL partially mediates the relationship between PQ and BP by 0.176 or 17.6%. The findings show a partial mediation showing that

there is a not only a significant relationship between the mediator and the dependent variable, but also some direct relationship between the independent and dependent variable. This means that brand loyalty partially mediates between product quality and brand performance

CHAPTER FIVE

SUMMARY, DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS

5.0 Introduction

This chapter presents the discussion of findings, conclusions drawn from the discussing of findings and the recommendations. The findings under this chapter are presented according to research objectives which were i) to examine the relationship between product quality and brand performance, ii) to establish the relationship between product quality, and brand loyalty, iii) to examine the relationship between brand loyalty and brand performance and iv) to establish the mediating effect of brand loyalty on the relationship between product quality and brand performance

5.1 Summaries of Findings

5.1.1 The Relationship between Product Quality and Brand Performance

The 1st objective was to examine the relationship between product quality and brand performance. It was revealed that there was a strong positive relationship between product quality and brand performance. The correlation suggests that as product quality increases, brand performance tends to increase as well. In brief it was established that, the product quality of the company's dairy products were perceived to be poor in several aspects. In terms of performance as respondents disagreed that the dairy products meet customer expectations, indicating poor performance. In terms of reliability as respondents disagreed that the dairy products meet desired freshness requirements, suggesting poor reliability. In terms of conformance, as respondents disagreed that the dairy products conform to all quality standards in the market, indicating poor conformance. In terms of desirable feature, respondents disagreed that the dairy products have nutritional values, longer shelf life, and incomparable taste compared to competitors, reflecting

poor quality in terms of desirable features. Furthermore, the respondents disagreed that the company pays attention to customer feedback and makes revisions accordingly. They also disagreed (but not strongly) that the company's products undergo rigorous testing for certifications and that all products have been certified by reputable organizations. This indicates a lack of assurance in terms of reliability and certifications. Although respondents agreed that the company conducts thorough quality inspections during the production process and uses statistical quality process control methods, suggesting some level of quality control, the overall perception of product quality, especially in terms of taste, was still deemed to be subpar. Overall, the findings suggest that the company's dairy products are perceived to have poor product quality in terms of performance, reliability, conformance, and desirable features. Improvement in these areas is needed to enhance customer satisfaction and competitiveness in the market**.**

5.1.2 The Relationship between product quality and brand loyalty

The 2nd objective was to establish the relationship between product quality and brand loyalty. The correlation suggests that there is a positive relationship between product quality and brand loyalty**.** Besides that, it was established that customer brand loyalty was lacking because of inadequate brand loyalty in terms of absence of repeat purchase behavior, spread of favorable word of mouth and absence of customer spending increment on the brand. This section provides insights into customers' spending behavior and repeat purchase patterns, as well as the impact of word of mouth on brand perception and the company's sales. It has been established that customers do not consistently repurchase the products. Positive feedback leading to increased purchases was lacking in the market. Customers' willingness to recommend the products was established to be limited, impact of customer referrals on marketing budget was evident as the company has to continuously market in order to make sales. The company's sales were easily

affected by competitors' promotions. This suggests that customers are easily swayed by competitor promotions. Customers spending were reducing as reflected in contracted volumes, and values of sales as daily spending impact on sales. It was established that customers' orders were reducing gradually as customers' orders for different brands increase, resulted into increased production capacity. The demand for the company's brand was reducing.

Overall, the findings suggest that there are opportunities to improve customer loyalty, word-of-mouth recommendations, and customers' spending on the company's dairy products. The company should focus on enhancing customer satisfaction, addressing churn rate, and leveraging positive feedback to drive repeat purchases and increase customer spending.

5.1.3 The Relationship between Brand Loyalty and Brand Performance

The 3rd objective was to establish the relationship between brand loyalty and brand performance. It was established that there was a strong positive relationship between brand loyalty and brand performance. This Implies that when brand loyalty increases, brand performance tends to increase as well. Overall, these correlations indicate that both product quality and brand loyalty have positive associations with brand performance. Higher product quality and greater brand loyalty are related to better brand performance**.** The third objective was established using the brand performance results; brand performance was measured using sales volume, sales value, price sensitivity and brand consideration/purchase. Sales volume brand performance was established basing on the way the brands contributed to brand sales volume. The results indicated that some brands were registering increased sales and that some dairy brands production experienced overwhelming customer orders, besides that some brands were experiencing decline in sales.

Sales value, was another measure of brand performance that was used, it was established that there were limited brand awareness efforts, most brands market share has been increasing overtime, indicating good brand performance. Price sensitivity of the brands; it was established that some company brands were price inelastic because of their quality, it was established that even when prices of such products were increasing the volume of sales were also increasing.

Brand consideration /purchase, was another measure of brand performance whereby most brand's performance was doing badly against their respective business and marketing goals. It was established that the profitability of the dairy brands was decreasing indicating that there was poor brand performance within the diary sector of Uganda.

5.1.4 The Mediating Effects of Brand Loyalty in the Relationship between Product Quality and Brand Performance

Basing on the results in figure 1 above, it shows that brand loyalty mediated brand performance. The known effect of brand loyalty is considered to have a positive and mediating effect on the relationship between product quality and brand performance**.** This literature is in line with Hakan and Hülya (2016) who suggested that there is a positive relationship between brand loyalty (purchase and attitudinal loyalty) and brand performance (relative price and market share). They argue that a high purchase loyalty will increase the market share of a firm. This research was supported by the Double Jeopardy Theory (Özkan et al, 2019), which said that the brand which owns a small market share will have only few buyers and the purchasing frequency will also be small, vice versa. Other researchers, (Hakan and Hülya, 2016), discovered that a brand which owns a high purchase loyalty will increase the market share of the brand. In general, before establishing the relationship between brand loyalty and brand performance, it is prudent to first define the concept of loyalty in its general perspective. Many scholars have defined the concept,

(Bianchi, 2015) loyalty is a biased response towards a brand or product expressed over a period of time and is defined by the purchase pattern of a decision making unit which may be an individual, a household or a firm.

5.2 Discussions of findings

5.2.1 The Relationship between Product Quality and Brand Performance

The 1ST objectives were to establish the Relationship between product quality and brand performance. The objective one showed that there was a relationship between product quality and brand performance. Previous scholars like SERVES, (2019) revealed that the consumer's need for a product/ brand depends much on quality and experience of the customers with the brand. He compared the quality of its bamboo products brand, which was perceived by customers to be of high quality yielded high sales volume and profitability coming in terms of volumes of sales (SERVE, 2019). In the same study, it was established that once quality is improved, the brand sales are expected to increase too. Therefore, producers of products must strive to ensure good quality product which results into customer satisfaction to maintain customer loyalty. In the context of milk as an input good-quality raw milk has to be free of debris and sediment; free of off-flavours and abnormal color and odor; it was further indicated that quality milk should contain low bacterial count; free of chemicals (e.g., antibiotics, detergents); and of normal composition and acidity. Dairy products use cow milk which is produced and kept using inadequate technology that can guarantee the quality of the milk. It was established that quality of raw milk is the primary factor in determining the quality of milk products. This is so because they indicated that good-quality milk products can be produced only from good-quality raw milk. Even the customers of the dairy products/bands are conscious of hygiene dairy products, implying that, hygiene in milk products is considered a quality factor. It

was further emphasized by Bowen & Chen (2001) that brand loyalty is an important factor for a company's income, because consumers who are associated with a product will recommend products to their partners, and will continue to buy products from the company.

Therefore, an organization needs to emphasize the quality of their products in order to build strong brands which results into increased sales volume and value arising from customer brand loyalty (Mahoney & Tang, 2017). Conversely, it was revealed from the literature by Bowen & Chen (2001) when he said that quality products create loyal consumers who in return repeatedly buy products from a company, with a commitment to repurchase the product or service and recommend others to buy. Therefore, product quality results into loyalty consumers who result in increased sales and profitability to the company. Product quality is an important function and perceptions of consumer performance related to existing product attributes or services (Albayrak, 2015:136). Basically, consumers always see and evaluate the quality of products in the market before buying (Adhikari, 2018:22). Normally consumers look for high quality products. Good product quality, use according to function, durable and not easy to damage (Izquierdo & Samaniego, 2007). Traditionally, good quality product is like a standard product, suitable quality to use, and looks nice. Thus, product quality makes consumers satisfied and loyal to a product (Cakici, Akgunduz, & Yildirim, 2019). There are many factors that influence product quality in the milk sector and these include the milking, how milk is kept and how it is transported to the final consumers. This is in agreement with Beneke and Zimmerman, (2014) who indicated that product quality is influenced by value, prestige, brand and the model of the product itself. However, for dairy products quality of the input milk is very crucial. Product quality is also influenced by fair perception and quality of service (Zietsman et al., 2019).

5.2.2 The Relationship between Product Quality and Brand Loyalty

From the objective two, results showed that there was a relationship between product quality and brand Loyalty. Therefore, product quality was a strong predictor of brand loyalty. Brand loyalty in this study was measured using three indicators that is, repeat purchase, customer word of mouth and increasing customer spending. This was similar to the literature done by Kotler & Armstrong, 2012) in which it was established that product quality has a positive and significant effect on consumer brand loyalty because, high quality products will attract consumers to buy repeatedly and will recommend others to buy.

This was further supported by Srivasta and Rai (2018) who asserted that brand quality can be enhanced through provision of high quality products on the market. For companies, product quality earns customer loyalty, helps establish brand recognition and manages costs (Suhendar and Ruswati, 2019). Therefore customers often buy more from companies they know and trust, and businesses can reduce costs that result from product returns, defects and losses through product quality control. For Zhang, Zhao, Gupta. (2018) were able to establish that by ensuring product quality, the company can help customers get to know their brand, encourage them to buy the products and increase the company revenue sustainably. Besides that, it was established that product quality was important because it affected the dairy success through helping them establish reputation in customer markets (Annamdevula & Bellamkonda, 2016). He further indicated that when companies create high-quality products that continue to meet customer demands, it can lead to fewer production costs, higher investment returns and increases in revenue. From the finding it was established that quality products also matter to the customers who depend on a company's attention to detail and customer demand. It was further established that dairy companies produce dairy products to fill a need in the market, and consumers expect

products to meet that need as the company so promises. This was supported by Farooq, et al. (2017) who asserted that customers want products that help them establish a connection with a brand so they know they can rely on the company's offerings. Thus quality products provide customers with safe, effective ways to solve their problems. It was further established that, quality of dairy products begins with how they are manufacture and how the milk a key input conforms to quality standards. It was further established that after companies design a product concept, production teams determine the types and quantities of resources they need, if they misinform the management the products ends-up not meeting customer needs, thus affecting brand loyalty. It was further established that quality of dairy products were affected by technology and materials for product creation, and product transportation, storage and distribution.

5.2.3 The Relationship between Brand Loyalty and Brand Performance

The study findings revealed that there was a positive relationship between the brand loyalty and brand performance. The literature on relationship is based on the revelation that brand loyalty consists of attitudinal and behavioral loyalty, and all of which contribute to brand performance. According to Larsson& Broström (2020), it is established that brand loyalty has been shown to have two components: an attitudinal component and a behavioral component. Brand loyalty is a driving force for business growth and an important asset for businesses, as it ensures stable and sustainable profits for the company and is an important factor for consumers.

Brand loyalty theories suggested that loyalty to brands is the outcome of several factors comprising affective, behavioral and attitudinal dimensions (Coelho, Rita, & Santos, 2018). Customer loyalty as defined by Oliver as a deeply held commitment to re-buy or re-patronize a

preferred product or service consistently in the future despite situational influences and marketing efforts having the potential to cause switching behavior (Snyder, 2019).

The study further established that efforts by dairy companies to build strong brand is driven by the belief that strong brands have a number of benefits for a company, the retailer, the consumer and for society as a whole. Strong brands help the consumer locate and identify products and evaluate their quality and makes it easier for them to develop attitudes and expectations (Pelsmacker, Geuens, and Van den Bergh, 2001). Branding also makes shopping more efficient as it tends to reduce the amount of decision-making time required and the perceived risks of purchase since a brand promises a constant level of quality (Pelsmacker et. al., 2001).

The relationship between the two variables can further be established basing on the facts revealed by Hakan and Hülya, (2016), when they established that brand which owns a high purchase loyalty will increase the market share of the brand. In general, before establishing the relationship between brand loyalty and brand performance, it is prudent to first define the concept of loyalty in its general perspective. Many scholars have defined the concept, (Bianchi, 2015) loyalty is a biased response towards a brand or product expressed over a period of time and is defined by the purchase pattern of a decision making unit which may be an individual, a household or a firm. The findings from the field revealed that performance driven by brand loyalty efforts was measured using, sales volume and sales value, on that it was established that there were limited brand awareness efforts, of most brands in the market which indicated that brand performance was greatly affected by brand loyalty efforts. Besides that, it was established that most dairy brand were price sensitivity a situation that explained poor brand performance.

5.2.4 The Mediating Effect of Brand Loyalty on the Relationship between Product Quality and Brand Performance

The relationship between brand loyalty and brand performance indicates a positive direct effect of brand loyalty on brand performance**.** Hakan and Hülya (2016) suggested that there is a positive relationship between brand loyalty (purchase and attitudinal loyalty) and brand performance (relative price and market share). Wantara and Tambrin, (2019) urges that the mediating effect of brand loyalty is derived from the fact that product quality exclusively results into loyal customers who continue with the product overtime. It is indicated that a successful brand is an exclusive product (industrial or consumer), place, person or service, amplified in such a way that the user or buyer perceives significant and exclusive added values, which go with their needs closely. If a brand provides superior quality over many years of regular use, it gains added value of acquaintance and proven trustworthiness which indicates better product performance (Zietsman, Mostert and Svensson, 2019).

Barnes in Priansa (2017) stated that loyalty is evidence of emotions that transform repeat buyer behavior into a relationship. This loyalty leads to repeat purchases, recommendations, and an increasing proportion of spending. Griffin in Prinsa (2017) further stated that the concept of loyalty is more directed to-wards behavior than attitudes and loyal customers will show purchasing behavior that can be interpreted as a regular purchase pattern and for a long time, which is carried out by the maker or collection units. Kotler & Keller (2009) revealed that creating strong and close relationships with customers is the dream of all marketers and is the key to long-term marketing success.

(Fuentes-Blasco et al., 2017) posit that a quality product will make customers like the product and they can still buy the product. When a customer wants to buy a quality product or service,

the customer must be satisfied first. When customers are satisfied with the quality of a product, the customers will remain loyal to the product or service. In this way, customers will continue to search and buy, promote and recommend to others to buy by word of mouth. So, customer satisfaction has an important role in mediating the relationship between product quality and consumer loyalty (Delcourt et al., 2013). Products are any items that are distributed to the market for attention, purchase, use or consumption with the aim of satisfying consumer wants and needs (Kotler and Amstrong, 2012). Product quality is an important function and perceptions of consumer performance related to existing product attributes or services (Albayrak, 2015).

5.3 Conclusion

On 1st objective which was to establish the relationship between product quality and brand performance, it was revealed that there was a positive relationship between product quality and brand performance. Besides that, it was established that product quality greatly affected the performance of brand within the dairy sector of Uganda. Quality was analyzed in terms of four dairy products attributes that is, product performance, reliability, conformance and product features. Thus, the dairy products did not deliver to customer expectation, in terms of those quality attributes. However, quality of dairy products was found to be greatly affected by the technology, used by local livestock farmers in milking cows, storage of milk and transportation to the processing points. Thus the quality of milk supplied to producers of dairy products was not of good quality.

On 2ND objective regarding the relationship between product quality and brand loyalty, it was established that product quality was strongly positively related to brand loyalty. Therefore, product quality remained a strong predictor of brand loyalty.

On 3rd objective which was to establish the relationship between brand loyalty, and brand performance, it was indicated that there was a positive relationship between the brand loyalty and brand performance within the dairy sector of Uganda.

On the 4th objective which was to establish how brand loyalty mediated between product quality and brand performance. It was established that, brand loyalty mediated the brand performance in the dairy sector of Uganda. This was so because, quality in all these variables resulted into loyal customers that guaranteed the performance of dairy companies in terms sales and profitability.

5.4 Recommendations

Basing on the above conclusions the researcher makes the following recommendations in order to improve brand performance within the dairy sector of Uganda

1. To the management of dairy processing industries, there should consider backward integration to their suppliers of milk which is an important input in their products. This would improve in quality management within the suppliers of milk and this would improve the quality of dairy products thus improving brand performance

2. To the dairy development authority of Uganda, below should be enforced;

License milk trucks with cleaning systems, Soft/subsidized loans to purchase equipment, offer premium for quality milk (quality based milk payment system), Support adoption of technologies and good practices in production, handling, collection, transport, processing, Enforce dairy regulations and code of hygiene practices, etc. These enforcements would help in improving quality of the milk produced and the resultant dairy products.

3. To the dairy product producing companies, they should first test their products before launching it to the market. This would help in reducing brand performance failures on the

market. As testing would reveal whether the brand will be accepted among customers on the market.

4. To the management of dairy product producing firms they should strongly emphasize quality management of their product. Through this a system to track customers taste trends can be well examined and established and this would guide the production of dairy products that really appeal to the customer tastes and preference. This would help in reducing brand poor performance.

5.5 Areas for Further Study

Basing on the gaps identified in the study the researcher recommends further research in the following areas.

1. To examine other factors that affect. brand performance other than product quality and brand loyalty within dairy sector of Uganda

2. To establish the role of technology in the management of quality within the dairy sector of Uganda

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QUESTIONNAIRE FORM

The researcher is a student of Makerere University business school doing a master's degree of business administration. He is conducting an academic research study on the topic *"**Product Quality, Brand Loyalty and Brand Performance in the Dairy Sector of Uganda***." You have been selected to be one of the respondents to this study. You are humbly requested to participate in this study by filling in this questionnaire. All the answers that you will provide shall be treated with the confidentiality it deserves and will strictly be used for academic purposes only.

Section A: (Personal Characteristics)

No		**Options**	**Code**
1	Dairy company belonged to	……	
2	Sex	Male ……..…..…..…1 Female ……..…..….2	
3	Marital status	Single ……..…...…..1 Married ……..……...…..2 Divorced ……..……..……..3	
4	Highest education attained	Secondary ……..……...…1 Tertiary institutions ……..……..…2 Diploma ……..……...…3 Degree ……..……..……...…4 Post degree ……..……..……...…..5	
5	How long have you worked with this dairy company?	1-2……..……...…..1 3-4……..……...…….2 5-6……..…….....3 Above 6 years ……4	
6	Age of respondents	18-25……..……..1 26-30……..…….2 31-35……..…….3 36-40……..…….....4 41 and above……..…….....5	

Note: The following abbreviations are used in the questionnaire: Please tick your best option.

1. SD = Strongly Disagree, 2. DA = Disagree, 3. U= Uncertain, 4. A= Agree, 5. SA= Strongly Agree

No	Statements	SD	D	U	A	SA
	Product quality					
	Performance					
PQ1	The dairy products from our company deliver to customer expectation	1	2	3	4	5
PQ2	The dairy products from our company have the customers desired freshness requirements	1	2	3	4	5
PQ3	Our dairy products have the nutritional values required by the customers in the market	1	2	3	4	5
PQ4	Our dairy products have a high shelf life than other competitor's products	1	2	3	4	5
	Reliability					
PQ5	We pay attention to our customer's reviews information and ratings by revising our dairly products	1	2	3	4	5
PQ6	Our products go through rigorous testing to receive certifications from reputable organizations	1	2	3	4	5
PQ7	All our dairly products have been certified by reputable local and international organizations	1	2	3	4	5
PQ8	We have an established system that allows customers to return our products he/she finds not fit	1	2	3	4	5
	Conformance					
PQ9	Our dairy products conforms to all quality standards within the market	1	2	3	4	5
PQ10	We conduct thorough quality inspection of our dairly products during production process to ensure what comes out of the process is quality	1	2	3	4	5
PQ11	We allow independent laboratories to validate our dairly products for a range of quality standards	1	2	3	4	5
PQ12	Statistical quality process control methods are used to assess the quality and conformance of our dairly products	1	2	3	4	5
	Features					
PQ13	Our dairy products have incomparable taste compared to other milk from other dairy company	1	2	3	4	5
PQ14	Our dairy products appearance is what customers prefer on the market	1	2	3	4	5
PQ15	Our dairy products have unbeatable taste preferred by consumers on the market	1	2	3	4	5
	Brand loyalty					

	Repeat purchase					
BL1	Customers of our dairy products consistently re-buy our dairy products again and again	1	2	3	4	5
BL2	There is low customer churn rate for our dairly products on the market	1	2	3	4	5
BL3	Customers provide positive feedback for our products and this means they can purchase more of our products	1	2	3	4	5
BL4	There is ever increasing customer purchase frequency to our dairly products on the market	1	2	3	4	5
	Word of mouth					
BL5	Customers of our dairy products are not hesitant to recommend other buyers	1	2	3	4	5
BL6	Our company marketing budget has reduced because of referrals from our satisfied customers	1	2	3	4	5
BL7	Even if our competitors offer bigger and more exciting promotions, to our customers our company sales increase	1	2	3	4	5
	Increasing customer spending					
BL8	Customers spending on our products is considerable because there is increasing sales of the products	1	2	3	4	5
BL9	Each day customers increasingly spend more to our dairy products and this has improved our sales	1	2	3	4	5
BL10	Our customers' orders for the different brand increase which makes us to increase our capacity in production	1	2	3	4	5
BL11	The company brands normally exhibit increasing demands from the customers	1	2	3	4	5
	Brand performance					
	Sales volume					
BP1	Our brands have been registering increasing sales volume growth over time.	1	2	3	4	5
BP2	Our dairy brands production cannot satisfy the existing customer orders on the market	1	2	3	4	5
BP3	Our customers have been increasing despite not giving them sales incentives	1	2	3	4	5
	Sales value					
BP4	There are limited brand awareness efforts yet the brands do well in terms of sales volume	1	2	3	4	5
BP5	Most of our brands market share has been increasing overtime this indicates good brand performance	1	2	3	4	5
	Price sensitivity					
BP6	Our company brands are price inelastic, even if prices are increased the volume of sales doesn't reduce	1	2	3	4	5
BP7	Even if prices for our dairy brands go up the sales do not reduce on the market	1	2	3	4	5
BP8	Customers for our brands consider quality more than price of the	1			4	5

	product		2	3		
	Brand considerations/purchase					
BP9	Most of our brand's performance well against our business and marketing goals	1	2	3	4	5
BP10	Most of our diary brands have attained our marketing objectives as we had planned	1	2	3	4	5
BP11	The profitability of our dairy brands is increasing indicating the performance of the brands is good	1	2	3	4	5

Thank you for your time

Table 1: Table for Determining Sample Size for a Finite Population

N	*S*	*N*	*S*	*N*	*S*
10	10	220	140	1200	291
15	14	230	144	1300	297
20	19	240	148	1400	302
25	24	250	152	1500	306
30	28	260	155	1600	310
35	32	270	159	1700	313
40	36	280	162	1800	317
45	40	290	165	1900	320
50	44	300	169	2000	322
55	48	320	175	2200	327
60	52	340	181	2400	331
65	56	360	186	2600	335
70	59	380	191	2800	338
75	63	400	196	3000	341
80	66	420	201	3500	346
85	70	440	205	4000	351
90	73	460	210	4500	354
95	76	480	214	5000	357
100	80	500	217	6000	361
110	86	550	226	7000	364
120	92	600	234	8000	367
130	97	650	242	9000	368
140	103	700	248	10000	370
150	108	750	254	15000	375
160	113	800	260	20000	377
170	118	850	265	30000	379
180	123	900	269	40000	380
190	127	950	274	50000	381
200	132	1000	278	75000	382
210	136	1100	285	1000000	384

Note.—*N* is population size. *S* is sample size.

Source: Krejcie & Morgan, 1970