

**BRAND EQUITY AND CONSUMER PURCHASE INTENTION OF
BRANDED COFFEE AMONG SUPERMARKET CUSTOMERS IN
NAIROBI COUNTY**

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DECLARATION

I hereby declare that this is my original work and has not been submitted for any degree in any other University.

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DEDICATION

This work is dedicated to my beloved parents, Mary and James Amaya.

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ABBREVIATIONS AND ACRONYMS

TPB – Theory of Planned Behaviour

RETRAK – The Retail Trade Association of Kenya

AFA - Agriculture and Food Authority

KPHC – Kenya Population and Housing Census

CBD – Central Business District

COVID 19 - Coronavirus disease 2019

SD – Standard Deviation

ANOVA – Analysis of variance

ABSTRACT

The proliferation of brands, increased competition and globalization of markets presents customers with a wide range of brands when making purchasing decisions. Firms have to rethink their branding decisions. The study sought to establish the effect of brand equity on the purchase intentions of branded coffee among supermarket customers in Nairobi County.

The study was anchored on brand equity model and the theory of planned behaviour. A descriptive cross sectional research design was adopted. The population of study were customers purchasing branded coffee in eighteen supermarkets in Nairobi. A sample of 384 respondents was selected using proportionate sampling technique. Primary data were collected using a semi structured questionnaire. A response rate of 90.6% was achieved.

The results revealed that the most preferred coffee brand was Dormans coffee and Nescafe with 27.7% and 22.7% respectively while the most preferred coffee type was instant coffee and roasted coffee. The findings revealed that perceived quality had the highest mean while advertising spending had the lowest mean. The results established a positive and statistically influence of the brand equity on purchase intention of branded coffee. The results further revealed that brand loyalty, perceived quality, store image had positive effect on purchase intention while brand image, awareness, advertising spending, price and price deals and country of origin were statistically insignificant.

The study concludes brand equity influences purchase intention of branded coffee among supermarket customers in Nairobi County. The study adds credibility to the existing body of knowledge on the link between brand equity and purchase intention and concludes that managers should augment all brand equity dimensions which may in turn encourage customers to purchase branded coffee.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Increased competition, globalization, proliferation of brands, blurred boundaries between countries and changes in consumer tastes and preferences has led firms to rethink their marketing strategies in order to stay ahead of competition. In addition, consumers have a wide range of choices to choose from when making purchasing decisions. Consumer emotions are one of the major determinants that affect buying behaviour (Berry, 2001). This has been made more complex by the proliferation of local and global brands, increase in the number of substitute goods and sophisticated customers leading to companies having to rethink their marketing strategies.

When deciding which products to purchase, consumers have their preferences, which are developed in accordance with their perceptions towards the brand. Firms with a strong brand equity leads to opportunities for successful brand extensions, resilience against competitors. Successful branding could make consumers aware of the presence of the brand and hence increase the chance of buying the company's products and services (Doyle, 2001). The brand equity concept is a core marketing asset that induces a relationship that forms distinctive ties between companies and their audiences and that nurtures long-term buying behaviour (Keller, 2013). The understanding of brand equity and its growth increases competitive barriers and drives brand wealth promotional efforts, and the creation of barriers to competitive entry (Yoo, Donthu, & Lee, 2000).

The theory of planned behaviour (Ajzen, 1985) and brand equity model (Aaker, 1991) anchor the study. The Theory of Planned Behaviour (TPB), a social cognitive model that is applied

in social psychology to explain the complexity of human behaviour in terms of deliberate action. This theory contends that the best predictor to explain behaviour is an individual's purpose. Three important cognitive factors—attitude, subjective norm, and perceived behavioural control—determine the purpose, which reflects reasons and cognitive planning for engaging in the behaviour. Brand equity characterizes the consumers perceptions and attitudes towards it. Aaker (1991) identified the dimensions of brand equity as brand awareness, brand associations, perceived quality and brand loyalty. Aaker (2009) predict that products with a high brand equity will be more purchased compared to others

Coffee is a highly popular beverage and the second most traded commodity in the world. It is estimated that over 2.25 billion cups of coffee are consumed globally on a daily basis (Czarniecka-Skubina, Pielak, & Sałek, 2021). World coffee consumption has been growing steadily in the past decade, with the exception of the COVID-19 pandemic interruptions. At the start of the current season (2021/22), it was projected to increase by 1.9% to 167.15 million bags, compared to the previous year. The average annual growth of world consumption over the last 10 years has been 1.9%, primarily driven by emerging markets. The inelasticity of world consumption has tightened the demand and supply ratio, increasing the possibility of current upward trends of coffee prices. However, the projections for world consumption have been revised upwards to 170.3 million 60-kg bags in 2021/22, up from 164.9 million bags in the previous year, indicating a 3.3% increase in consumption. (Coffee Directorate, 2022)

Despite Kenya's reputation as a tea-drinking nation, coffee is increasingly becoming a preferred option among consumers. Kenya is then fifth largest coffee producer in Africa. In the 2020/2021 coffee year, the country produced 34,512 MT of coffee. According to the

Coffee Directorate, more than 95% of the total production was exported. Just under 5% of the total production was consumed locally representing 1,659 MT – an increase of 14.95% compared to the previous coffee year 2018/2019 in which 1,411 MT was consumed locally.

As per the 2019 KPHC Volume II Report (Kenya Population and housing census), the population of Kenya was estimated to be 47.6 million people. According to a study conducted by the Kenya Coffee Directorate on domestic coffee consumption in the coffee year 2020/21, the country's coffee consumption was at 1.7 million kilograms, resulting in a per capita coffee consumption of 0.036 Kg per person. The entry of any players into the coffee scene has resulted in a wide range of choices for consumers, who are becoming more discerning in their coffee purchasing decisions. As such, brand managers must have a deep understanding of the factors that motivate and influence consumers' coffee buying behavior in order to make informed decisions regarding product development and marketing strategies to implement.

1.1.1 Concept of Brand Equity

Brand equity is a complex and multifaceted concept with no clear consensus on its definition, models, and measurement dimensions. Various studies have proposed different brand equity measuring techniques. According to Christodoulides and Chernatony (2009), brand equity is a complicated term with many facets. Aaker (1991) defines brand equity as a set of assets and liabilities associated with a brand, including its name and symbol, that can have beneficial or detrimental effects on the values arising from the products or services. Aaker proposes four dimensions of brand equity: brand awareness, brand loyalty, brand associations, and perceived quality.

Keller (1993) provides a marketing-focused definition of brand equity, defining it as the difference between the impact of brand knowledge and customer reaction to the marketing of

the brand. Keller (1998) describes brand equity based on the consumer's perspective, stating that the power of a brand lies in what customers have learned, felt, seen, and heard about it over time. He proposes that brand equity denotes the distinctive marketing effects imposed on the brand and proposes the concept of consumer-based brand equity. Kapferer (1997) suggests that brand equity has an economic function, and the value of a brand derives from its ability to generate an exclusive, positive, and prominent meaning in the minds of a large number of consumers.

Yoo, Donthu and Lee (2001) extend Aaker's (1991) definition of brand equity and include marketing mix elements such as price, store image, distribution intensity, advertising, price deals, perceived quality, brand loyalty, awareness, and overall brand equity. Clow and Baack (2005) define brand equity as a collection of qualities that distinguish a brand in the marketplace, allowing the company to charge a higher price and maintain a larger market share than would be achievable with an unbranded product.

1.1.2 Consumer Purchase Intention

Purchase intention is a term that refers to the probability that a consumer will be willing to buy a product or service in the near future, which can be influenced by various factors such as the consumer's attitude, perception, and purchasing behavior (Wu et al., 2011). This concept is critical in predicting consumer satisfaction and future sales, particularly when existing customers express their intent to purchase a brand that they believe is right for them and worth the investment (Madahi & Sukati, 2012). Consumer purchase intention is a crucial decision-making process that investigates the reasons behind a consumer's decision to purchase a specific brand (Shah et al., 2012).

Purchase intention is a vital component of brand marketing, as it helps brand managers understand and predict consumer behavior (Horsfall, 2020). To analyze purchase intention, it is essential to consider the viewpoints of both new and existing customers. For new customers, their interest, choice, and overall behavior can reveal their purchase intention, while for existing customers, factors such as trust, satisfaction, and assurance of repeat purchases in the future can indicate their purchase intention (Rizwan et al., 2021). According to Mirabi, Akbariyeh, and Tahmasebifard (2015), purchase intention refers to a consumer's inclination to purchase a specific product under particular circumstances.

1.1.3 Supermarket outlets in Nairobi

The retail sector is a critical industry in Kenya and has been identified as a key driver of the country's economic plan, Kenya Vision 2030. The sector has experienced significant growth in recent years, with both local and international retailers opening outlets in the country. The sector is estimated to be worth \$12.35 billion, making it the second most developed and fastest-growing sector on the continent. Supermarkets account for 30% of consumer spending, traditional channels account for 67%, and special retail channels account for 3% (Hailekael, 2019).

Supermarket retail outlets in Kenya typically operate on medium and large scales and are mainly located in major towns (Njuguna, 2014). The majority of the leading supermarket brands in Kenya, such as Naivas, Carrefour, Quickmart, and Chandarana, are members of The Retail Association of Kenya (RETRAK), which represents the retail industry's interests and track their performance. RETRAK's membership is categorized into Specialty Retail, Supermarkets, Food Retail, and associate members.

According to RETRAK, there are over 600 supermarkets currently operating in Kenya. As of March 2023, there were at least 190 supermarkets operating in the Nairobi county, with RETRAK indicating that leading brands are expanding their footprints continuously. RETRAK's Kenya Retail Industry Outlook Survey of 2020 indicates that the retail sector is expected to grow significantly, with a projected 32.35% expansion in store numbers over the next five years. According to the survey, 41.18% of retailers intend to maintain their current number of stores while adding an online presence, while 20.59% plan to close some of their stores, and 11.76% are unsure of their future plans.

All of these supermarkets have a dedicated 'hot beverage' category where they sell tea, coffee, chocolate among other branded hot beverages. Competition within the category is high with each supplier trying to outdo then others through various ways including – lower prices, packaging look and feel, types and sku sizes. There are also different forms of coffee presentation – some sell coffee beans, others ground coffee and instant coffee. Most will have a mix of all coffee types. For this reason, it is important for marketing to brand managers to understand what the consumers want and/or prefer to be able to increase their revenue.

1.2 Research Problem

In the face of increasing competition and brand proliferation, marketers need to develop effective marketing plans that can enhance the levels of brand equity for their products and services, which in turn can positively influence consumer preferences and purchase intentions (Cobb-Walgren, Ruble and Donthu, 1995). Several brand equity factors can impact customer purchasing decisions, such as brand familiarity, brand perception, and brand recognition. Consumers who are familiar with a brand are more likely to have favorable opinions of it and prefer to purchase it, even if the cost is higher, as they recognize their preferred brands when given alternatives (Aaker, 1991).

According to the Kenya Coffee Directorate report, the level of industrial coffee processing in the country is still relatively low. Out of the 110 licensed coffee dealers by the Agriculture and Food Authority (AFA), only 24 are currently engaged in the roasting, grinding, and packaging of coffee for sale in supermarkets and other channels. These coffee dealers, who include Dormans Coffee, Java House, Sasini Coffee, Gibsons Coffee and Out of Africa among others, face stiff competition from imported coffee brands such as Nescafe, MacCoffee, Jacobs, Café Pele and Africafé leading to a very competitive market place. For this reason, they have to come up with innovative ways to market their brands.

Previous studies conducted globally, regionally, and locally have examined the relationship between brand equity and purchase intention, and measured brand equity and purchase intention using different methods, leading to varying results.

For instance, Huang and Dang (2014) found that brand and price, product image, promotion and advertising, motivation, environment, and taste were critical factors that influenced coffee drinker's purchase intention in Taiwan. They analyzed 260 respondents using exploratory factor analysis and regression analysis. Rizwan et al. (2021) found that brand awareness, association, and perceived quality had a positive impact on the purchase intention of health takaful customers in the United Arab Emirates. They collected data from 300 respondents and analyzed it using structural equation modeling.

In Iran, Jalivand, Samiei, and Mahdavinia (2011) discovered that brand association, awareness, and perceived quality had a positive effect on purchase intention in the automobile industry. They collected data from 242 automobile customers and analyzed it using structural equation modelling. Vinh and Huy (2016) identified that perceived quality,

brand loyalty, and association had a positive impact on brand equity and purchase intention in the motorbike market in Vietnam. They collected data from an unspecified number of respondents and used structural equation modeling to analyze the data.

Regionally, Horsfall (2020) found that brand awareness, loyalty, and perceived quality had a significant effect on purchase intention in the telecommunication industry in River state, Nigeria. They used purposive sampling technique and collected data from 200 customers. In Ethiopia, Kassu (2016) found that brand association and perceived quality had a positive significant effect on purchase intention in the footwear industry. They collected data from 361 respondents and analyzed it using descriptive and multiple regression analysis.

Kimani (2016) found that brand awareness, packaging, and pricing had a positive effect on brand loyalty of instant coffee brands among supermarket shoppers in Nairobi's CBD. They collected data from 200 customers from 10 large supermarkets and analyzed it using descriptive and inferential analysis. The study sought to establish the influence of pricing, packaging, brand awareness on brand loyalty among supermarket customers in Nairobi Central Business District. Mwangi (2012) discovered that brand awareness and association of Kenya coffee brand were high, while labeling and branding, and packaging were moderate. They used a descriptive cross-sectional research design and collected data from 40 respondents using convenience sampling procedure.

The reviewed studies indicate that the variables have been measured differently, leading to varying and inconclusive results. Moreover, limited studies have been conducted on brand equity and purchase intention of branded coffee in Kenya. Therefore, this study aims to answer the question; what is the influence of brand equity on consumer purchase intention of branded coffee in Nairobi County?

1.3 Research Objective

The objective of this study was to determine the effect of brand equity on consumer purchase intention of branded coffee in Nairobi County.

1.4 Value of the Study

The study's findings will contribute to the theoretical underpinnings of the research by providing a framework that links brand equity and consumer purchase intention. The theory of planned behavior will offer more insights into consumer purchase intention, while the brand equity theory will enhance the understanding of how brand equity dimensions can influence purchase intention.

The study will be valuable to practitioners as they develop their marketing strategies to influence consumer purchase decisions of branded coffee in Nairobi. Given the competitive nature of the market, the study will enable managers to better understand the behavior of their customers and make informed decisions. Additionally, the results of the study will assist policy makers in the retail sector to create a favorable environment for firms dealing with beverage products in the country. This may include implementing policies to support the growth of the sector and enhance consumer confidence in branded coffee products. Overall, the study's findings will contribute to the body of knowledge on brand equity and consumer purchase intention, while offering practical implications for the industry and policymakers..

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This section examines the theoretical foundation, a critical review of previous empirical studies done and knowledge gaps on the study variables.

2.2 Theoretical foundation

This study will be anchored on Aaker's brand equity model (1991) and the theory of planned behaviour (Ajzen, 1985)

2.2.1 Aaker's Brand Equity model

Aaker (1991) developed the brand equity model. Awareness, association, perceived quality, loyalty, and proprietary assets like patents and trademarks are the five components of brand equity. Brand association is the strength of a brand name and may be determined by how recognizable and liked the brand is by consumers. Brand awareness is the ability of a potential customer to recognize or remember a brand that belongs to a specific class of products. Brand association demonstrates brand loyalty and attention while making purchases. Brand loyalty is the degree to which people are devoted to a brand, whereas perceived quality is the extent to which a brand is perceived to give quality. On the other perspective, brand association aids customers in processing and retrieving information about a brand. Customers that are familiar with a brand will have favorable opinions of it and be more likely to purchase it. The way consumers view brands influences their decision to purchase.

Regardless of how much they cost, consumers who are familiar with brands may recognize their preferred brands when given with alternatives (Aaker, 1991). According to Aaker's model, building and managing brand equity requires a strategic focus on developing and

strengthening these elements. By doing so, businesses can create a strong and valuable brand that customers will be loyal to and willing to pay a premium for.

2.2.2 The Theory of Planned Behaviour

Ajzen (1985) developed the theory of planned behaviour. The theory uses rational decision-making to describe the complexity of human behaviour. The underlying premise of the theory is that the best predictor of behaviour is an individual's intention. Three important cognitive factors—attitude, subjective norm, and perceived behavioural control—determine the purpose, which reflects reasons and cognitive planning for engaging in the behaviour. The stronger the control over perceptual behaviour and the more motivated the person is to choose and carry out the behaviour, the more positive their attitude and subjective norm about behaviour are.

The TPB's first construct, attitude, describes how positively or negatively people perceive the effects of their behaviour (Ajzen & Fishbein, 1980). The social situational component, also known as subjective norms or the social pressure or expectation of others that people experience while deciding whether or not to carry out a particular behaviour, is the second construct. Perceived behavioural control, the third component in TPB, is a person's assessment of how easy or difficult it is to carry out or accomplish the desired behavior of interest. The theory of planned behaviour is critiqued for its exclusive focus on logical reasoning, omitting unconscious impacts on behavior and the significance of emotions beyond predicted emotional outcomes (Sheeran, Gollwitzer & Bargh, 2013).

2.3 Brand equity and Consumer Purchase Intention

Although empirical data demonstrated that brand equity can influence consumers' purchasing intentions in a wide range of circumstances. There is limited research that use Aaker's brand equity model to determine how its characteristics affect purchase intention (Chang and Liu,

2009). Brand awareness influences customer decision-making by providing learning, consideration, and choice benefits (Keller, 2003).

Brand associations serve as the foundation for purchasing decisions and add value for both the company and its customers. According to Aaker (1991), the advantages of brand associations include processing and retrieving information, differentiating the brand, producing an incentive to purchase, fostering favorable attitudes and feelings, and serving as a foundation for expansions. Similar to brand associations, perceived quality adds value to products by giving customers a reason to purchase them and setting them apart from rival companies. The definitions of brand loyalty based on behavioral perspectives highlight consumers' actual devotion to the brand as demonstrated by their purchase intentions, unlike to definitions based on attitudinal perspectives, which emphasize consumers' aspirations to be loyal to the brand. This study assesses the relationship between brand awareness, brand associations, perceptions of quality, and brand loyalty in relation to consumers' purchase intentions.

2.4 Empirical review and Knowledge Gaps

Ying-Fang (2016) conducted a study on factors that drive purchase intentions of coffee consumers in Taiwan. 260 respondents were analysed by exploratory factor analysis and regression analysis to explore the various factors that influence coffee beverage purchase intention and understanding about the coffee culture in Taiwan. The findings of the study indicated that brand and price, product image, promotion and advertising, motivation, environment and taste as critical factors which impact on coffee drinker's purchase intention in Taiwan with product promotion and advertising playing a critical role in influencing the Taiwanese buyer behaviour. In addition, taste and flavour of the coffee played a role in the product performance.

Wróblewski (2016) in Poland conducted a study on consumer preference of coffee in developing Central European Countries. The study focussed on all available variants of coffee such as ground coffee, instant coffee, coffee beans, instant coffee mixes and instant cappuccino. The study used primary data obtained through structured interviews on a nationwide sample of 800 coffee consumers. The findings of the study indicated a shift of consumer preference from instant coffee to beans and ground coffee. The study attributed this to increased coffee knowledge through globalisation via the internet and exposure to coffee beans through coffee shops that are growing in the country.

Mirabi et al. (2015) study in Iran investigated the factors affecting the purchase intention of Bono brand tiles customers. A random sample of 384 was selected. Data were analysed using confirmatory factor analysis and multiple regression analysis. The results revealed that brand name and advertising had the highest impact on customer purchase intention while packaging and price did not have a significant. In Pakistan, Durrani et al.(2016) analyzed the impact of brand image on buying choice and satisfaction levels of 300 school and college students. The study results showed that advertisement, brand loyalty and image influenced brand choice. Gautam and Shrestha (2012) examined the effect of brand equity dimensions in purchase intention of smart phones in Kathmandu, Nepal. Data were analysed using structural equation modelling. The results revealed that brand loyalty and awareness influenced purchase intention while perceived quality and brand association had no significant effect.

Regionally, in River state Nigeria, Horsfall (2020) investigated the brand equity dimensions on consumers' purchase intention of telecommunication firms. Purposive sampling technique was used and a sample of 200 customers was drawn from four telecommunication firms. The results revealed that the all brand equity dimensions had a significant effect on purchase intentions. In Ethiopia, Kassu (2016) carried out a study to investigate the effect of brand

equity on purchase intention in the leather footwear industry. Stratified and convenience sampling was used and a sample of 36 respondents drawn. Data were analysed by descriptive and multi regression analysis. The results revealed that brand association and perceived quality had a positive and significant effect on purchase intention. On the other hand, brand awareness and brand loyalty did not reveal a significant effect on purchase intention on leather shoes in Ethiopia.

Locally, Kimani (2016) conducted a study to investigate the influence of pricing, packaging and brand awareness on brand loyalty of instant coffee brands among shoppers in supermarkets located in the Nairobi Central business district. The study used a semi structured questionnaire to collect primary data from 10 supermarkets located in the Nairobi Central business district. The data collected was analysed using both descriptive and regression analysis to examine the effect brand awareness and packaging price on brand loyalty of the instant coffee customers. Findings from the study concluded that brand awareness, attractive packaging and reasonable pricing positively influenced brand loyalty of instant coffee. Additionally, the findings indicated instant coffee consumers are likely to purchase the product after seeing an advertisement of their preferred brand. Lastly, the study concluded that the availability of different packaging sizes of instant coffee packs attracted more attention from customers compared to a brands that only one packaging size.

Wangwe (2018) carried out a study on the effect of brand equity components on consumer purchasing intention in the fast moving consumer goods, a case of Coca Cola products. Primary data was collected from a sample of 719 faculty, staff and students. Descriptive and inferential analysis was used to analyse data. The results revealed that the various dimensions of brand equity affect consumer purchasing decisions of Coca Cola products. Kitavi (2022) study was on the impact of consumer perception on the purchase intention of

mobile phones in Nairobi County. Primary data was collected from a sample of 400 people through convenience sampling. The results revealed that product, price, expectations perception and perceived quality improve purchase intentions of mobile phones in Nairobi County.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This section outlines the research methodology that will guide the study. The section specifically presents the research design, the population of the study, sampling procedure and sample size. The chapter also presents the data procedure and how the data will be analysed.

3.2 Research Design

The research design provides a framework for data collection and analysis, which identifies the most suitable research methods (Walliman, 2006). This study adopts a descriptive research design, which is used to describe and analyze the characteristics of the variables under study. The design entails collecting pertinent data and organizing and describing it. The study was cross-sectional design as the variables of interest, brand equity, and consumer purchase intention data, will be collected from the selected sample at a specific point in time. A cross-sectional survey approach will be used to evaluate brand equity dimensions and consumer purchase intention simultaneously using a single questionnaire. This design is appropriate as it allows for the collection of data at a specific point in time and facilitates the simultaneous evaluation of variables.

3.3 Population of the Study

The target population for this study are customers who purchase branded coffee in supermarket outlets operating within Nairobi County. According to RETRAK, there are over 600 retail outlets throughout the country, and as of March 2023, there were at least 190 supermarkets operating within Nairobi County. Each attracts at least 3000 shoppers daily.

To establish a representative sample size of customers, the estimation method described by Cochran (1977) was used, as the population is large (Approximately $3000 \times 190 = 570,000$). The sample size was determined using the following formula: $n = (z^2 * p * q) / e^2$, where

n represents the sample size, e represents the level of precision or sampling error (which determines the range within which the true value of the population can be estimated), p represents the population proportion, and z represents the level of confidence.

$$n = \frac{(1.96)^2 \times 0.5(0.5)}{(0.05)^2}$$

$$n = \frac{(3.8416 \times 0.25)}{0.0025}$$

$$n = 0.9604 / 0.0025 \quad n = 384.16$$

$$n = 384$$

3.4 Sampling Procedure and Sample Size

This study will employ proportionate sampling technique, in which the sample size for each group or stratum will be determined based on its proportion to the total population. Given that supermarkets have varying numbers of branches, this method is appropriate because it ensures that each stratum is adequately represented in the sample. The sample size for each stratum was proportional to the size of that stratum in the population, which can increase the precision of estimates by reducing the sampling error and improving the sample's representativeness.

Table 3.1: Supermarkets with branches in Nairobi

	Supermarket Brand	Branches in Nairobi	Proportionate Stratum Weight	Number of questionnaires to issue	Rounded
1	Naivas	55	0.289	111.158	111
2	Quickmart	36	0.189	72.758	73
3	Chandarana	18	0.095	36.379	37
4	Carrefour	15	0.079	30.316	31
5	Cleanshelf	11	0.058	22.232	22
6	Magunas	4	0.021	8.084	8
7	Eastmatt	4	0.021	8.084	8
8	Tuskys	2	0.011	4.042	4
9	Khetias	2	0.011	4.042	4
10	Power Star	6	0.032	12.126	12
11	Skymart	6	0.032	12.126	12
12	Onn The Way	6	0.032	12.126	12
13	KPS	2	0.011	4.042	4
14	Kassmart	4	0.021	8.084	8
15	Kikuyu Selfridges	4	0.021	8.084	8
16	Supermantex	3	0.016	6.063	6
17	Muhindi Mweusi	11	0.058	22.232	22
18	Mathais	1	0.005	2.021	2
	TOTAL	190	1	384.000	384

(Source: RETRAK as at March 2023)

3.5 Data collection

A semi-structured questionnaire was used to collect primary data . The closed ended question allows the respondents to rank the statements on a five point likert type scale where 1- no extent, 2- to a less extent, 3, 4- to a large extent, 5-to a very large extent. The questionnaire comprises three sections. Section A covered the demographic profile of the respondent, section B will covered the brand equity elements comprising thirteen items adopted from (Aaker, 1991) while section C measured consumer purchase intention comprising four items adopted from Rungtornkiet & Sirinapatpokin (2019) The questions were modified to measure the variables under study and the context of the study. The questionnaires were administered through the mall intercept method and email. The unit of analysis were the customers purchasing coffee in the supermarkets.

3.6 Data Analysis

Data cleaning and coding was carried out on the filled questionnaires for data analysis. Descriptive analysis and inferential analysis was be used to analyse data. Descriptive statistics included the mean and standard deviation. The descriptive data was presented using figures, tables, and percentages. A simple linear regression analysis was used to establish the influence of consumer brand equity on purchase intention. The model summary used was:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + e$$

Where:

Y= Purchase intention

β_0 =Constant

β_1 to β_7 = Regression coefficients;

X_1 - X_7 = Predictor variables

X_1 = Brand Image

X_2 = Brand Loyalty

X_3 = Perceived Quality

X_4 = Brand Awareness

X_5 = Advertising Spending

X_6 =Store Image

X_7 = Price/Price Deals

X_8 = Country of Origin

ϵ =Random error

CHAPTER FOUR

DATA ANALYSIS, RESULTS AND INTERPRETATION

4.1 Introduction

The chapter outlines the response rate, firm characteristics and descriptive characteristics of the firms under study. The chapter further presents the regression analysis and discussions of the study finding.

4.2 Response Rate

A total of 384 questionnaires were administered the shoppers who patronized the various supermarkets in Nairobi County. Out of the 384 questionnaires, 348 questionnaires were properly filled and were considered for further analysis. This represented a 90.6% response rate.

4.3 Background Information

4.3.1 Gender of the respondents

The study sought to establish the gender of the respondents. The results on gender are presented in Figure 4.1.

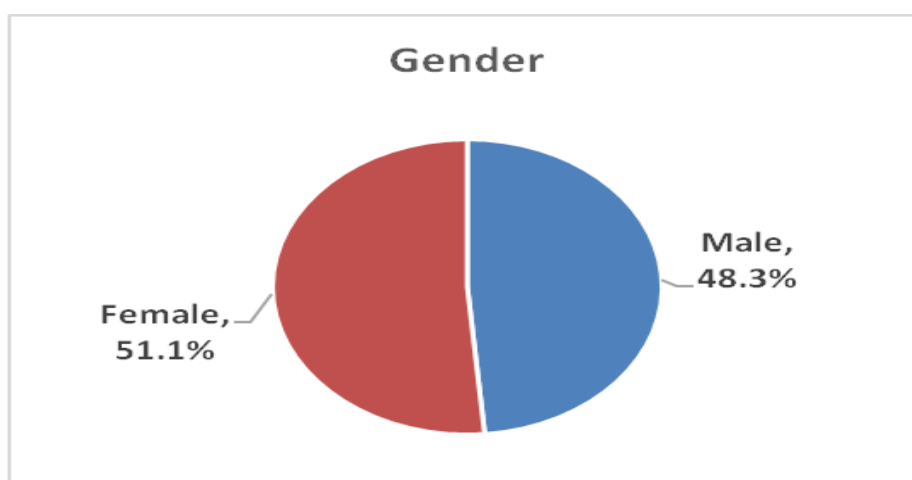
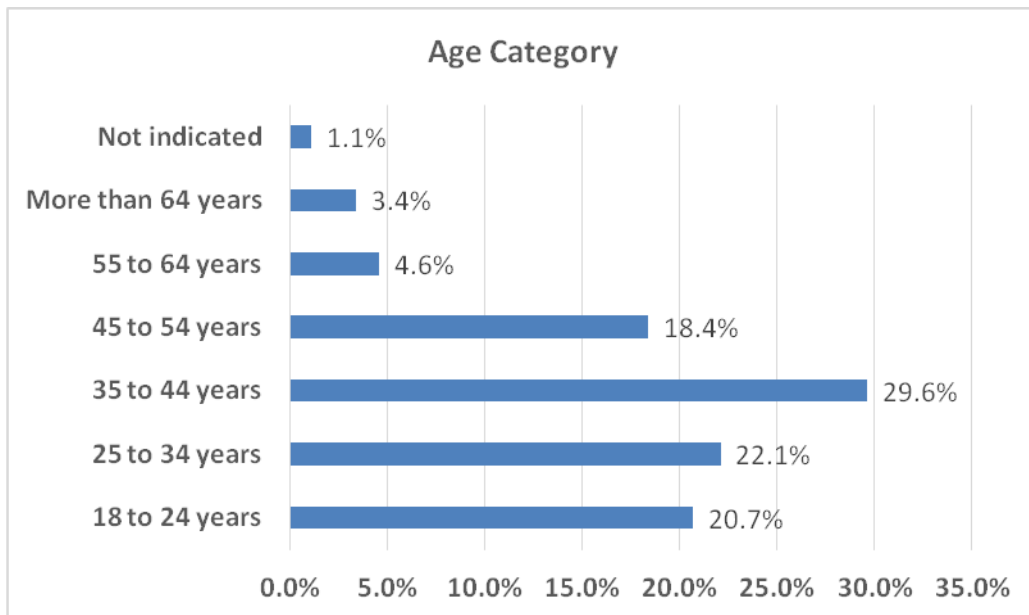


Figure 4.1
Source: Primary (2023)

The results in Figure 4.1 on gender reveals that 51.1% were female and 48.3% were male.

4.3.2 Age of the respondents

The study enquired the age of the respondents. The results on the age is presented in Figure 4.2



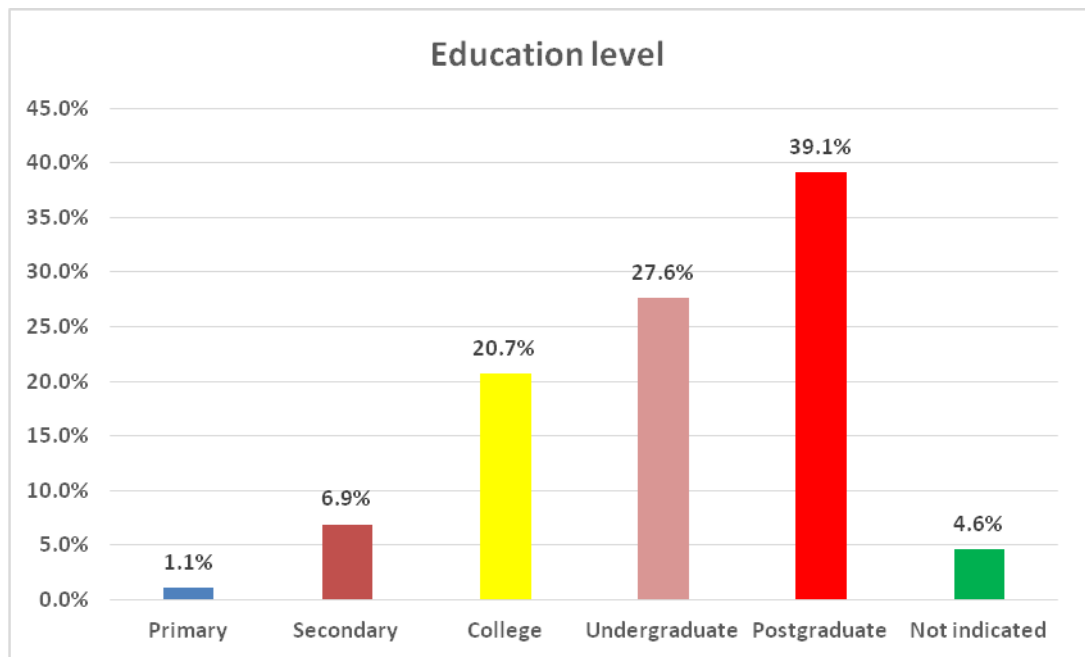
Source: Primary (2023)

With respect to age in table 4.2, the study reveals that majority of the respondents (29.6%) were between 35 to 44 years, followed by 25 to 34 years with 22.1% and 18 to 24 years with 20.7%.

4.3.3 Level of Education

As far as education level was concerned, 39.1% of the respondents were postgraduates certificate holder, followed by Undergraduates (27.6%), whereas a small number (1.1%) were primary. The results are presented in Table 4.2

Figure 4.3 Level of Education

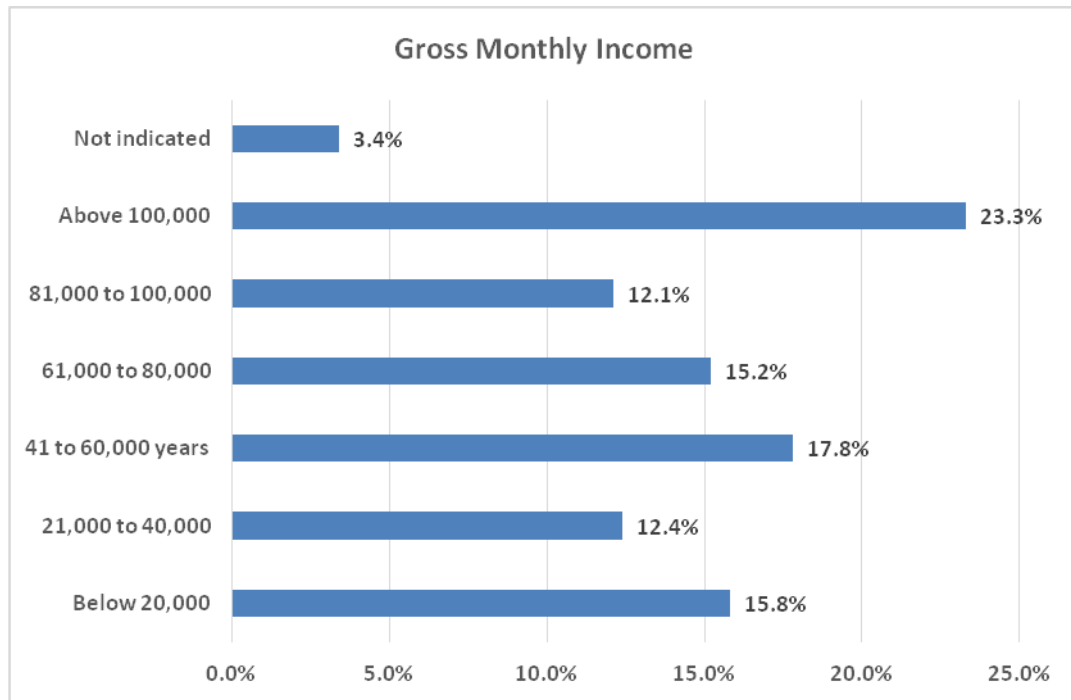


The results in Table 4.3 show that majority of the respondents have attained an undergraduate degree and above with the 39.1% representing the postgraduate degree and undergraduate at 27.6%. The lowest were 1.1% primary level of education.

4.3.4 Gross Monthly Income

The study set to establish the respondent's gross monthly income with the view of assessing their purchasing power. The results on the gross monthly income is presented on Table 4.4.

Figure 4.4



Source: Primary (2023)

With regard to gross monthly income, 23.3% indicated that they earn above Ksh. 100,000 indicating that the respondents can afford to purchase branded coffee.

4.3.5 Brand Preference.

The study sought to establish the most preferred branded coffee brands in Kenya . The results are depicted in Table 4.4

Table 4.5 Preference of Coffee Brands

Brands of Coffee	N	%
Dormans	229	27.7
Nescaffe	188	22.7
Java	117	14.1
MacCoffee	115	13.9
Gibsons	46	5.6
Spring Valley	28	3.4
Safari Lounge	21	2.5
Jacobs	13	1.6
Pancafe	12	1.5
Africafe	11	1.3
Out of Africa	11	1.3
Rockbern	9	1.1
Sasini	7	.8
Shiriki	4	.5
AA Blue Mountain	3	.4
Highlands	2	.2
Blended b/fast	1	.1
Decaf Instant Coffee	1	.1
Household	1	.1
Irish Cream	1	.1
Kahawa No. 1	1	.1
Karungara	1	.1
Kenya Highlands	1	.1
Pancafe	1	.1
Ricoffee	1	.1
Rwanda coffee	1	.1
White coffee	1	.1
Total	827	100.0

Source: Primary (2023)

Overall, the results in Table 4.4 reveal that the most preferred coffee brand was Dormans coffee at 27.7%, followed by Nescaffe (22.7%), “Java” (14.1%), and “MacCoffee” (13.9%). From the results, coffee from 11 brands had 1%. This means that the dominant coffee brands in Nairobi are Dormans, Nescafe, Java and MacCoffee.

4.3.6 Citizenship and Country of Residence

The study sought to establish the citizenship and country of residence of the respondents. The results are presented in Table 4.5

Table 4.6 Distribution by Citizenship and Country of Residence

Citizenship and Country of Residence	N	Valid Percent
I am a Kenyan living in Kenya	281	82.4
I am a Kenyan NOT Living in Kenya	16	4.7
I am a foreigner living in Kenya	34	10.0
I am a foreigner on transit (NOT living in Kenya)	10	2.9
Total	341	100.0

Source: Primary (2023)

The results depicted in Table 4.5 indicate that majority of the respondents (82.4%) were “Kenyans living in Kenya” while about 10% were “foreigners living in Kenya”

4.3.7 Respondents Occupation

The study set to establish the respondent’s occupation to establish what they do for a living. The pertinent results are presented in Table 4.6

Table 4.7: Type of Occupation

Status	N	%
Self Employed	92	26.6
Employed	175	50.6
Homemaker	8	2.3
Unemployed	9	2.6
Student	52	15.0
Retired	10	2.9
Total	346	100.0

Source: Primary (2023)

With respect to the occupation of the respondents, the results in Table 4.6 reveal that majority of respondents are employed (50.6%) while 26.6% were in self-employment. The category on students is 15%. The results imply 74% of the respondents are employed and thus have a source of income.

4.3.8 Preferred Coffee Brand

The coffee market has various types of coffee. The respondents were required to indicate their preferred type of coffee. Table 4.7 presents the results.

Table 4.8: Type of Coffee Preferred

Type of Coffee	N	%
3-in-1 premixes	69	16.5
Instant Coffee	189	45.1
Roasted Coffee	161	38.4
Total	419	100.0

Source: Primary (2023)

The results depicted in Table 4.7 indicate that instant coffee was the most preferred (45.1%) followed by roasted coffee (38.4%) and finally 3-in-1 premixes (16.5%).

4.3.9 Knowledge of Coffee Brands

Product knowledge is a key factor in purchase intention. Firms engage in activities of product knowledge that can assist customers make informed purchase decisions.

Table 4.9 : Knowledge of Coffee Brands in Nairobi

Knowledge of Coffee Brands available in Kenya today	Responses	
	N	Percent
Familiarity with Dormans Coffee	300	19.0%
Familiarity with Java house	256	16.2%
Familiarity with Nescafe	282	17.9%
Familiarity with MacCoffee	239	15.2%
Familiarity with Shiriki Coffee	50	3.2%
Familiarity with Safari Lounge	77	4.9%
Familiarity with Rockbern Coffee	61	3.9%
Familiarity with Spring Valley Coffee	67	4.3%
Familiarity with Out of Africa	67	4.3%
Familiarity with Gibson Coffee	127	8.1%
Familiarity with Africafe Coffee	50	3.2%
Total	1576	100.0%

a. Dichotomy group tabulated at value 1.

Source: Primary (2023)

According to the Survey results depicted in Table 4.8, the respondents were most familiar with Dormans Coffee (19%), followed by Nescafe (17.9%), Java (16.2%), and MacCoffee at 15.2% while the least familiar brands were brands such as Africafe

and Shiriki Coffee at 3.2% and Rockbem at 3.9% . The results indicate that level of familiarity is dominated by four brands with a cumulative 68.3%.

4.4 Descriptive Statistics on Brand Equity

Descriptive statistics of the study comprised the mean and standard deviation of the various elements of brand equity. A 5 point-likert type scale was used to analyse the eight dimensions of brand equity comprising brand image, brand loyalty, perceived quality, brand awareness, advertising spending, store/supermarket image price and pricing deals and country of origin. The results on the perception of brand equity are presented in Table 4.10.

Table 4.10 Perception of Brand Image

Brand Image	N	Mean Score	Standard Deviation
This brand performs as expected	342	3.5819	.96448
The name and image attracts me to purchase this brand	336	3.5714	.87807
This brand expresses my personality	340	3.4059	1.00146
This brand targets consumers of high-income levels	340	3.4353	.98301
This brand increases the respectability of the user	340	3.5029	1.00000
This brand makes a person to feel good	343	3.6589	.93203
Average		3.5261	.959842

Source: Primary (2023)

The results in Table 4.10 illustrate that the average score for brand image was moderately high (mean =3.53, Standard Deviation=.959842) with “This brand makes a person to feel good” posting the highest mean score (mean =3.66, SD=.93203) and “This brand expresses my personality” having the lowest mean score (mean =3.41, SD=.1.00146). The results indicate that majority of the respondents consider the concept of brand image when purchasing branded coffee.

The research sought to ascertain the perception brand loyalty among the customers of branded in Nairobi. The pertinent results are presented in Table 4.11 below.

Table 4.11: Brand Loyalty

Statements on Brand Loyalty	N	Mean Score	Standard Deviation
This brand offers good value for price			
Increases in price do not hinder me to purchase this brand	340	3.4088	1.04497
I usually use this brand as my first choice compared to other brands	339	3.6578	.94573
I am satisfied with this brand	335	3.7045	.93460
I would recommend this brand to others	344	3.7384	.94523
I will not switch to other brands	337	3.4599	1.02891
I can always trust this brand	342	3.7018	.90547
Average		3.6052	.968934

Source: Primary (2023)

The results in Table 4.11 indicate that the average score for which people are committed to a particular brand of coffee was reasonably high (mean 3.61, SD=.968934). Specifically, “I would recommend this brand to others” recorded the highest mean score of 3.7384, SD=.94523, followed by “I am satisfied with this brand” with a mean score of 3.7045, SD=.93460. On the other hand, “I will not switch to other brands” had the lowest score (mean score=3.4599, SD=.1.02891) followed by “Increases in price do not hinder me to purchase this brand (mean score of 3.4088, SD=.1.04497). The results suggest that the most of the branded coffee customers are loyal to the brand of their choice.

Perceived quality is when is when customers evaluate the quality of a product based on largely on their experience with the brand. The study set out to establish the level of the respondents perceived product quality. The results are presented in Table 4.11.

Table 4.12: Perception on Perceived Quality

Statements on Perceived Quality	N	Mean Score	Standard Deviation
I consider this brand to be of high quality	346	3.6705	.99628
The brand provides a wide variety to choose from	342	3.6316	.92787
The raw materials used by the companies are of high quality	340	3.7412	.89447
Variety of the brand are trendy and fashionable	344	3.7151	.92909
I trust the quality of this brand	344	3.9419	.85857
The manufacturer of this brand is famous for its quality control	323	3.5170	.83899
Average		3.70298	.907545

Source: Primary (2023)

The results in Table 4.12 reveal that the overall mean score of the perceived quality was relatively high at mean score =3.70. The attribute that “I trust the quality of this brand” was rated the highest with a mean score of 3.9419, SD=.85857 followed by “The raw materials used by the companies are of high quality” (mean score=3.7412, SD=.89447), and “Variety of the brand are trendy and fashionable” (mean score=3.7151, SD=.92909). The results imply that the respondents considered quality as an important attribute when considering their purchase decision of branded coffee.

Brand awareness is the attribute that measures how easily consumers can identify their brand of choice. The pertinent results on brand awareness are presented on Table 4.13.

Table 4.13 : Brand Awareness

Brand Awareness	N	Mean Score	Standard Deviation
Some characteristics of this brand come to my mind quickly	345	3.5159	.86294
I can easily recognize this brand among other competing brands	343	3.5190	.91067
I have seen different advertisements for this brand on TV, Magazines, Newspapers, Internet, social media, bill boards etc	341	3.1994	1.01524
I am familiar with this brand	339	3.5133	.99806
I can quickly recall the symbol/logo of this brand	339	3.4720	1.00367
Average		3.44392	.958116

Source: Primary (2023)

As illustrated in Table 4.13, the perception of brand awareness was moderate (3.44392). The statement on “I can easily recognize this brand among other competing brands” posted the highest mean score (mean score=3.5190, SD=.91067), with “Some characteristics of this brand come to my mind quickly” following closely (mean score=3.5159, SD=.86294). On the contrary, “I have seen different advertisements for this brand on TV, Magazines, Newspapers, Internet, social media, bill boards etc” posted the lowest mean score (mean score=3.1994, SD=1.01524). The results imply that brand awareness is a key attribute among consumers when making purchase decisions of branded coffee.

Advertising is one of the techniques that firms that grow their market share. The results on advertising spending of branded coffee are presented in Table 13.

Table 4.14 Advertising Spending

Advertising Spending	n	Mean Score	Standard Deviation
This brand is intensively advertised	344	3.0494	1.08281
The advertising campaign for this brand seem very expensive	343	3.3032	.99776
Compared to campaigns for competing brand, the advertising campaign for this brand are seen frequently	342	3.0673	1.08773
Average		3.1400	1.0561

Source: Primary (2023)

The results in Table 4.14 illustrate that the average mean score on the perception of advertising spending was relatively high (mean score=3.1400, SD=1.0561). “The advertising campaign for this brand seem very expensive” was rated the highest with a mean score of 3.3032, SD=.99776. While the perception on “This brand is intensively advertised” had the lowest score of Mean 3.0494, SD=1.08281. The results suggest advertising plays a role when customers are considering their purchase intention.

The study sought to establish whether the customers consider the image of the store/supermarket when purchasing intention of branded coffee. The pertinent results are presented in Table 4.15.

Table 4.15: Store/Supermarket Image

Statements on Store/ Supermarket Image	N	Mean Score	Standard Deviation
The stores where I can buy this brand carry products of high quality	340	3.3971	.96456
The stores where I can buy this brand would be of high quality	339	3.5133	.90149
The stores where I can buy this brand have well-known brands	340	3.6382	.95396
Average		3.5162	.94000

Source: Primary (2023)

The results in Table 4.15 indicate that store/supermarket image contributes moderately high to a particular brand as demonstrated by the mean score of 3.5162,

SD=.94000 “The stores where I can buy this brand have well-known brands” being rated the highest mean score =3.6382, SD=.95396) while “The stores where I can buy this brand carry products of high quality” the lowest (mean score=3.3971, SD=.96456). The results suggest that the store/ supermarket image plays is an important consideration among customers.

Price is one the decisions that customers consider when considering purchasing any product or service. The study sought to establish the significance of price and price deals of branded coffee. The study results on price and price deals in presented on Table 4.16.

Table 4.16: Price and Price deals

Price and Price deals	N	Mean Score	Standard Deviation
This price of this brand is high	345	3.2841	.95565
Price deals are frequently offered	341	3.1701	1.01189
Price deals for this brand are emphasized more than seems reasonable	341	3.2346	1.01349
Average		3.2296	.99368

Source: Primary (2023)

The results in Table 4.15 indicate that the average mean score for the three statements on price and price deals was mean score= 3.2296, SD=.99368. The statement on “This price of this brand is high” posted the highest mean score =3.2841, SD=.95565 followed by “Price deals for this brand are emphasized more than seems reasonable” with a mean score=3.2346, SD= 1.01349 and the statement on “price deals are frequently offered” with had the lowest mean score (mean score=3.1701, SD=1.01189). The study set to establish the preference of the country of origin of the branded coffee. The pertinent results are presented in Table 4.17.

Table 4.17: Perception of Country of Origin

Statements on Country of origin	N	Mean Score	Standard Deviation
I prefer coffee processed and packed in Kenya	345	3.5507	1.07747
I prefer imported coffee	345	3.0377	1.19411
I do not mind local or imported coffee (Coffee is coffee)	346	3.3844	1.20852
Average		3.3243	1.16003

Source: Primary (2023)

The results in Table 4.17 on perception of country of origin of coffee brands reveal relatively high scores with all the individual statements with average mean score=3.32, SD=1.16003. The highest mean score was “I prefer coffee processed and packed in Kenya” mean score= 3.5507, SD= 1.07747, followed by “I do not mind local or imported coffee (Coffee is coffee)” mean score= 3.3844 SD= .20852 and the lowest was “I prefer imported coffee” mean score= 3.0377 , SD=1.19411 This implies that the country of origin of coffee brands had a significant effect on customers purchase intentions.

4.5 Descriptive Statistics on Purchase Intention

The study set to establish the perception on purchase intention of consumers of branded coffee in Nairobi. The pertinent results are as presented on Table 4.18.

Table 4.18: Purchase Intention

Statements on Purchase Intention	n	Mean Score	Standard Deviation
I am willing to purchase this company’s coffee in the near future			
I have plans to buy this brand in the future	340	3.5559	.96233
I am willing to recommend others to buy this coffee brand	340	3.8971	.90459
Average		3.71827	.93578

Source: Primary (2023)

The results in Table 4.18 show that all the attributes had a high effect on the respondents purchase intention of coffee (mean score=3.2841, SD=.95565). The highest rated attribute was “I am willing to recommend others to buy this coffee brand” (mean score=3.8971, SD=.90459) and “I am willing to purchase this company’s coffee in the near future” (mean score=3.7018, SD=.94042). The lowest was “I have plans to buy this brand in the future” mean score= 3.5559, SD=.96233. The results suggest that the respondents would purchase the brand in the future and would be willing to recommend the preferred coffee brand to others.

4.6 Relative importance of Consumer Brand Equity Attributes on Purchase Intention

The relevant consumer brand equity attributes included in the survey were brand image, brand loyalty, perceived quality, brand awareness, advertising spending, store image, price/price deals, and country of origin. The purchase intention was regressed on the dimensions of brand equity. The extent to which the consumer brand equity attributes contributed to purchase intention is depicted on the simple regression model on Table 4.19.

Table 4.19: Model Summary for Consumer Brand Equity Attributes on Purchase Intention

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.452 ^a	.204	.185	.64818

a. Predictors: (Constant), country of origin, perceived quality, advertising spending, store supermarket image, brand image, price and price deals, brand awareness, brand loyalty

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	35.078	8	4.385	10.436	.000 ^b
	Residual	136.543	325	.420		
	Total	171.621	333			

a. Dependent Variable: Purchase intention

b. Predictors: (Constant), Country of Origin, Perceived Quality, Advertising Spending, Store/Supermarket Image, Brand image, price and price deals, brand awareness, brand loyalty

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.130	.318		3.552	.000
	Brand Image	-.036	.079	-.027	-.460	.646
	Brand Loyalty	.183	.084	.148	2.184	.030
	Perceived Quality	.212	.083	.168	2.559	.011
	Brand Awareness	.096	.079	.079	1.215	.225
	Advertising Spending	.031	.052	.034	.590	.555
	Store/Supermarket Image	.150	.061	.152	2.438	.015
	Price and price deals	-.017	.060	-.016	-.276	.782
	Country of Origin	.112	.059	.109	1.896	.059

a. Dependent Variable: Purchase Intention

*** The higher the beta coefficient (whether positive or negative) the greater the influence of the factor**

Source: Primary (2023)

The results in Table 4.19 illustrate that the coefficient of determination R^2 is .204. The model indicates that consumer brand equity explains 20.4% of the change in purchase intentions of coffee brands while R of 452 implies that a significant association exists between Consumer Brand Equity and purchase intentions of coffee brands. The ANOVA results ($F=10.436$, $p<.005$) implies that the model was significant as the p value was less than 0 .005. The model fit of the study results is presented as:

$$Y=1.130 +.027X_1+.148X_2+.168X_3+.079X_4+.034X_5 +.152X_6-.016X_7+.109X_8$$

Where

Y= Purchase intention
X₁= brand Image
X₂= Brand Loyalty
X₃= Perceived Quality
X₄= Brand Awareness
X₅=Advertising Spending
X₆= Store/Supermarket image
X₇= Price and price deals
X₈= Country of Origin

Further, the results of revealed that the strongest driver of Consumer Brand Equity attributes to Purchase Intention was perceived quality (beta=.168) followed by Store/Supermarket image (beta=.152) and brand loyalty (beta=.148). The results suggest that a unit increase in brand image and price and price deals is associated with a -.027 and -.016 decrease in purchase intention respectively while a unit increase in brand loyalty, perceived quality, brand awareness, advertising spending, store/supermarket image and country of origin is associated with .148, .168, .079, .034, .152 and .109 increase in purchase intention of branded coffee.

4.7 Discussion of Findings

The objective of the study was to determine the effect of brand equity on consumer purchase intention of branded coffee in Nairobi County. Brand equity was measured using brand image, brand loyalty, perceived quality, brand awareness, advertising spending, store/supermarket image, price and price deals and country of origin. The dimensions of brand equity were determined and their effect on purchase intention on branded coffee in Nairobi.

The study findings revealed that all the dimensions of brand equity had an average mean score of 3.4360375. The highest mean score was perceived quality with an average mean score of 3.70298 SD=.907545 while advertising spending with a mean score of 3.1400, SD=1.0561 had the lowest average score. The dimension of purchase intention was measured using three statements and the average mean score was 3.71827, SD=.93578.

The regression model was used to establish the effect of the dimensions of brand equity on purchase intention of branded coffee among consumers in Nairobi. The R² which is the coefficient of determination which measures the strength of the model revealed that the model had a predictive power of 20.4% implying that changes in purchase intention can be explained by the dimension of brand equity while 79.6% are explained by other factors. The ANOVA was statistically significant as the p value was less than 0.05.

The regression coefficient revealed that the dimension of perceived quality and the highest coefficient (.168) while price and price deals had the lowest coefficient (-.016). The results suggest that product quality, brand loyalty, and store/supermarket image are key dimensions of brand equity that can influence purchase of branded coffee in Nairobi. The results of the study are consistent with the findings of Kitavi (2022) study that established that product, price, perceived quality and expectation perceptions influence purchase intention of mobile phones in Nairobi. The study results are also consistent with the studies by Ying-Fang (2016) on coffee consumers in Taiwan and Kasau (2016) study on brand equity and purchase intention of leather products in Ethiopia.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

The chapter presents the summary of the study findings, the conclusions drawn from the study. The chapter further outlines the recommendations, limitation and makes suggestions for further research.

5.2 Summary of Findings

The objective of the study was to establish the effect of brand equity on purchase decision of branded coffee in Nairobi county. The respondents were customers purchasing branded coffee in supermarket outlets operating within Nairobi County. A sample of 384 was drawn 18 supermarkets with outlets in Nairobi County. The dimensions of brand equity comprising brand image, brand loyalty, perceived quality, brand awareness, advertising spending, shop/ supermarket image, price/ price deals and country of origin was used to measure the predictor variable while purchase intention was the criterion variable. The respondents demographics indicated revealed that 51.1% were female while 48.3% were male, majority of the respondents (29.6%) were between 35 to 44 years, 39.1% of the respondents were postgraduates degree holders and the lowest were the primary level at 1.1%. Regarding the monthly income level, 23.3% indicated that they earn above Ksh. 100,000.

The respondents were required to respond to questions on the coffee brands. The results indicate that the most preferred coffee brand was Dormans (27.7), Nescaffe (22.7), Java (14.1) and MacCoffee (13.9) with most of the consumers being employed Kenyans. With reference to preference and knowledge of available coffee,

majority of the consumers preferred instant coffee (45.1%) and Dormans coffee respectively.

The descriptive statistics of the dimensions of brand equity revealed that the average mean score was 3.44 while purchase intention had a mean score of 3.72 indicating a moderately high score. The regression model sought to establish the effect of dimensions of brand equity on purchase intention of branded coffee. The results revealed that the model was statistically significant p-value less than 0.05 and the R^2 indicated that brand equity explains 20.4% of the variation in purchase intention while 79.6% is explained by other factor with perceived quality contributing .168 and price contributing the lowest (-.016). This indicates that price does not influence the purchase intention of branded coffee in Nairobi.

5.3 Conclusion of the Study

The study concludes that brand equity influences the purchase intention of branded coffee among the sampled customers in Nairobi. The most selected brand was Dormans coffee with customers preferring to purchase the instant coffee. Brand equity was measured by eight elements with perceived quality, the store image and brand loyalty contributing the most to purchase intention while brand image and pricing negatively influences the purchase intention of branded coffee in Nairobi

5.4 Recommendation of the study

The study provides credence to the brand equity model that postulates that when customers are familiar with a brand, they will have favourable attitude and are more likely to purchase it and the theory of planned behaviour that predict that the consumers decision to purchase is influenced by the way they view brands. The study further recommends that the policy makers in the coffee sector ought to design policies aimed at marketing strategies that influence the consumer purchase decisions.

The study further recommends that the practicing managers in the sector should explore different marketing strategies and tactics that would encourage customers to purchase branded coffee in Kenya.

5.5 Limitations of the Study

The study was limited to customers who were shopping in major supermarkets in Nairobi. The study further used subjective measures to measure the study variables and thus could be biased. Data were collected while respondents were shopping thus the respondents might have lacked adequate time to fill the questionnaires.

The research design was descriptive cross sectional survey design. The design did not establish any causal relationship between the variables and the study was carried out at a specific point in time. The dimensions that were applied in measuring the predictor and the criterion variable were not exhaustive. Nonetheless, the limitations of the study did not affect the results and the study findings form a basis for future research in other sectors.

5.6 Suggestions for Further Studies

The study focused on establishing the effect of brand equity on purchase intention of branded coffee in Nairobi. There is need for further research be carried out in other major cities and towns in Kenya as coffee is widely consumed beverage. Future studies can also include more dimensions of brand equity and include other variables to establish if effect is affected by other factors not included in the study.

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APPENDIX 1: QUESTIONNAIRE

Dear Participant,

My name is Ken Teyie, an MBA student in the Faculty of Business and Management Sciences, Faculty of Business Administration. This questionnaire is designed to collect data from consumers of branded coffee in Supermarkets in Nairobi County. The objective of the study is to determine the influence of brand equity elements on consumer purchase intention of branded coffee. The data collected is academic purposes only and be treated with strict confidentiality. Thank you very much for taking your time to fill this questionnaire

PART A Background Information

1. Please indicate your gender

Male

Female

2. **Please indicate your highest level of education**

Primary

Secondary

College

Undergraduate

Postgraduate

Other (please specify

3. **Please indicate your age category**

18 to 24 years

25 to 34 years

35 to 44 years

45 to 54 years

55 to 64 years

More than 64 years

4. **Please indicate your gross monthly income (Kshs.)**

Below 20,000

21,000 to 40,000

41 to 60,000 years

61,000 to 80,000

81,000 to 100,000

Above 100,000

5. Which brands of coffee do your prefer:

i) _____

ii) _____

iii) _____

iv) _____

v) _____

6. Please select the one that applies to you

- a) I am a Kenyan living in Kenya []
- b) I am a Kenyan **NOT** Living in Kenya []
- c) I am a foreigner living in Kenya []
- d) I am a foreigner on transit (**NOT** living in Kenya) []
- e) Other [] _____ Please specify.

7. Which of the following accurately describe what you do for a living? (*Tick all that apply*)

- a) Self Employed []
- b) Employed []
- c) Homemaker []
- d) Unemployed []
- e) Student []
- f) Retired []

8. From the list below, which type of coffee do you prefer?

- f) Instant Coffee []
- g) Roasted Coffee []
- h) 3-in-1 premixes []
- i) Other _____ (*Please indicate*)

9. Below is a list of selected coffee brands available in Kenyan supermarkets today.

Select the ones you are familiar with.

- a) Dormans Coffee []
- b) Java House []
- c) Nescafe []
- d) MacCoffee []
- e) Shiriki Coffee []
- f) Safari Lounge []
- g) Rockbern Coffee []
- h) Spring Valley Coffee []
- i) Out of Africa []
- j) Gibsons Coffee []

SECTION B: PERCEPTION OF BRAND EQUITY

Please tick (✓) to indicate the extent to which you agree or disagree with the following statements related to your perception of brand equity of the purchased branded coffee.

Kindly use the following scale: 1-Not at all, 2- small extent, 3- moderate extent, 4-large extent, 5- very large extent

SN		1	2	3	4	5
Brand Image						
1	This brand performs as expected					
2	The name and image attracts me to purchase this brand					
3	This brand expresses my personality					
4	This brand targets consumers of high-income levels					
5	This brand increases the respectability of the user					
6.	This brand makes a person to feel good					
Brand Loyalty						
7	This brand offers good value for price					
8	Increases in price do not hinder me to purchase this brand					
9	I usually use this brand as my first choice compared to other brands					
10	I am satisfied with this brand					
11	I would recommend this brand to others					
12	I will not switch to other brands					
13	I can always trust this brand					
Perceived Quality						
14	I consider this brand to be of high quality					
15	The brand provides a wide variety to choose from					
16	The raw materials used by the companies are of high quality					
17	Variety of the brand are trendy and fashionable					
18	I trust the quality of this brand					

19	The manufacturer of this brand is famous for its quality control					
Brand Awareness						
20	Some characteristics of this brand come to my mind quickly					
21	I can easily recognize this brand among other competing brands					
22	I have seen different advertisements for this brand on TV, Magazines, Newspapers, Internet, social media, bill boards etc					
23	I am familiar with this brand					
24	I can quickly recall the symbol/logo of this brand					
Advertising spending						
25	This brand is intensively advertised					
26	The advertising campaign for this brand seem very expensive					
27	Compared to campaigns for competing brand, the advertising campaign for this brand are seen frequently					
Store/Supermarket Image						
28	The stores where I can buy this brand carry products of high quality					
29	The stores where I can buy this brand would be of high quality					
30	The stores where I can this brand have well known brands					
Price and Price deals						
31	This price of this brand is high					
32	Price deals are frequently offered					

33	Price deals for this brand are emphasized more than seems reasonable					
	Country of origin					
34	I prefer coffee processed and packed in Kenya					
35	I prefer imported coffee					
36	I do not mind local or imported coffee (Coffee is coffee)					

Please tick (√) to indicate the extent to which you agree or disagree with the following statements related to your perception of purchase intention of the purchased branded coffee.

Kindly use the following scale: 1-Not at all, 2- small extent, 3- moderate extent, 4-large extent, 5- very large extent

SN		1	2	3	4	5
Purchase Intention						
1	I am willing to purchase this company's coffee in the near future					
2	I have plans to buy this brand in the future					
3	I am willing to recommend others to buy this coffee brand					