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Other proprietary brand assets and competitive advantage in beer products in Kabale District, South Western Uganda

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Abstract

Background

In the current business environment, firms are required to be more competitive and hostile. Other proprietary brand asset is used by business organizations to gain competitive advantage. This study adopted the resource-based business model that provides a framework for identifying unique set of resources and shifts the approach of assessing competitive advantage from the external to the internal environment that is the resource power.

Objectives

This study, therefore, set out to determine the effect of Other Proprietary Brand Assets on competitive advantage in beer products in Kabale District.

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Materials and Methods

This is a descriptive questionnaires-based survey of 1,783 wholesalers, retailers, customers, brand and marketing managers of Nile Special Lager, Eagle Lager, Senator Extra Lager, Club and Bell beer products sold in Kabale District of Uganda. Simple random sampling was used to select alcoholic beverages products and producers while purposive sampling was adopted to select shopping centers where consumer information was collected after pilot marketing investigation.

Primary data were used and collected using questionnaires. Data generated were analyzed using multiple regression analysis and the t-statistic with the aid of the Statistical Package for Social Sciences (SPSS) version 26.0.

Results

The findings show that there was no significant effect of Other Proprietary Brand Assets on competitive advantage in beer products in Kabale District of Uganda

Conclusion & Recommendation

Other proprietary brand assets therefore had no significant effect on competitive advantage in beer products marketed in Kabale District of Uganda. Construction of meaningful brand names, colors, and logos are recommended.

Key words

Proprietary Brand Assets, Competitive Advantage, Beer, Kabale, Uganda

Introduction

Other-Proprietary-Brand-Assets are organization’s trademarks, patents and channel relationships that provide protection for the organization’s competitive position in the market branding levels. Other proprietary brand assets would be very valuable if they obstruct or prevent competitors undermine brand loyalty and in order to be relevant assets they must be associated with the brand.

Competitive advantage is an advantage gained over competitors by offering customers greater value, either through lower prices or by providing additional benefits and services that justify similar or possibly higher prices. Advantage falls into only two categories, something that you own that is a barrier to competition or something that you do very well that effectively bars competitors.

Competitive advantage is correlated with value added and the constructs of confidence in the purchase decision, efficiency and effectiveness of marketing programs, higher profitability and differentiation have been used to measure competitive advantage.

The beer industry in Uganda today is flooded with a vast variety and a number of brands which are struggling with each other to make their own mark in the industry and fighting the fierce competitors to win over consumers. The market is flooded with new and old alcoholic beer brands and intensity of brand war is increasing day by day. According to Lee, Jung-Yong; Jin, and Chang-Hyun **(1).**

The popularity of a brand is a tool for survival and success of company in the market. There are many challenges faced by beer companies in Uganda including; so

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many brands in the market, increasing advertising costs, low sales, low market penetration and lowering of prices by other firms among others. Despite the many brands in the market, the question is why do customers continue to choose the unbranded products. Therefore, the researcher intended to focus on Other Proprietary Brand Assets as a new source for competitive advantage.

Other proprietary brand assets such as patents, trademarks, channel relationship are legal and institutional benefits which a brand can offer and protect its value. A propriety brand asset is most valuable for company assets in the shape of trademark; that cannot be copied easily.

A trademark provides the protection to companies, their brand name or symbol. It is not easy for other companies to use their names because majority of customers identify the brand product through trademark design. Companies have to make further protection to their brand using patents to stop competitors from copying the product. A brand can control distribution channel through history of the brand performance (**2).**

Keller *et al*., (3), suggested that the brand name is important in capturing and conveying the key associations and the central theme of a product in an effective and concise manner. Brand names are characteristic shorthand for the product and they are also the most difficult element for brand managers to change. Hence, choosing an effective brand name is important decision and a complex process of identifying and screening alternatives usually undertaken, often with the help of specialized consultancies [3].

While evaluating a brand, Keller (4) noted that consumers link the performance of the functional attributes to the brand (5)**.** Performance is defined as a consumer's judgment about a brand's fault-free and long-lasting physical operation and flawlessness in the product's physical construction (5). The brand's failure to perform the functions for which it is designed results to a low level of brand equity.

Objectives and Hypothesis

The objective of this paper was to analyze the effect of Other Proprietary Brand assets on competitive advantage among beer products and producers in Kabale District in South Western Uganda. To achieve the above objective of this study, the following hypothesis was tested:

Ho_1: There is no significant effect of Other Proprietary Brand Assets on competitive advantage in alcoholic beer products in Kabale District.

Material and Methods

Basics

This is a descriptive survey in which structured, self-administered questionnaires were distributed to producers, wholesalers, retailers and consumers of alcoholic beverages in Kabale District, Uganda. The target population was 1783 wholesalers, retailers, customers, brand and marketing managers of Nile Special Lager, Eagle Lager, Senator Extra Lager, club and Consumers of unbranded beer products in the Kabale District. The sample size was determined using the Slovene's formula below:

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$$n = \frac{N}{1 + N(0.05)^2}$$

Where; n=sample size; N=target population; 0.05 level of significance.

Therefore, with the target population of 1783

(N)

$$n = \frac{1783}{1+1783(0.0025)},$$

$$n = \frac{1783}{1+4.5},$$ n= 324 sample size

Multistage sampling techniques used in this study involved simple random sampling to select alcoholic beverages products and producers while purposive sampling technique was adopted for consumer information at shopping centers, selected based on piloted marketing investigation. The choice criterion was inclusion of the clubs/bars with more than 20 customers per day. A total of 84 eating centers [hotels, restaurants, clubs and bars] made of [2 customers and 1 manager] were chosen for the study (6)

Data quality assessment

Four expert opinion and content validity index (CVI) were used to ensure the validity of the questionnaire (7). The four experts measured the face validity of the instrument, ensuring that the item/statements addressed the research questions, as well as the adequacy of the constructs used in the questionnaire. The CVI was estimated as follows:

$$CVI = \frac{\text{Number of questions declared valid}}{\text{Total number of questions}}$$

$$CVI = \frac{79}{84},$$

$$CVI = 0.94$$

A CVI value of 0.94 is greater than 0.7 minimum CVI required for a valid instrument. Hence the instrument is valid

Statistical analysis and ethical considerations

Questionnaires were tested for reliability and consistency with a test-retest, split half and Cronbach's alpha. The test-retest reliability method measured the stability of the Questionnaires. on repeated trials. The questionnaires were administered twice on the same set of 30 respondents at different times specifically after two weeks and reliability confirmed with a correlation coefficient of 0.76 (8). The internal consistency of the instrument was tested with Split-half and Cronbach's coefficient alpha method and found to be reliable (9). Confidentiality, informed consent, risk, liberty, cost, and other ethical issues were observed between the researcher and the respondents

Result Presentation

Response Rate and Demographic Characteristics of Respondents

Out of 324 respondents, 312 (80.1% males and 19.9% females) filled and returned the

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questionnaires, representing a response rate of 96%. Table C4a depicts 26.3% of the respondents were aged between 36 – 45 years of age 26, followed by 26.3% of those aged between 46–55 years. The least of the respondent were 4.5% of those aged between 18 – 24 years.

Table 1: Specific Age, Education and Beer brand of Respondents

Age No (%)	Education No (%)	Beer brand
15-25 14(4.5)	High school 33 (10.6)	Eagle 70 (22.4)
26-35 73(23.4)	Certificate 54 (17.3)	Nile 92 (29.5)
36-45 118(37.8)	Diploma 113 (36.2)	Club 87 (27.9)
45-55 82(26.3)	Bachelors 96 (30.8)	Senator 34 (10.9)
>55 25 (8.0)	Masters 16 (5.1)	Bell 29 (9.3)

The respondents shown in table 1 all had formal education and were asked to indicate their level of education. It was observed that the highest response rate was 36.2% seen among diploma holders, followed by those with bachelors and certificate education, with 30.8% and 17.3% respectively while 5.1% with Master's degree were the least. Table 1 also show that majority (29.5%) of the respondent's drinks Nile beer, closely followed by 27.9% that drinks Club beer and 9.3% of local beer consumers.

Descriptive statistics for Other Proprietary Brand Assets on competitive advantage among beer products in Kabale district

The mean and standard deviations was 3.8, and 0.6, respectively. These indicate minimal variability from the mean responses. Skewness and kurtosis represent the nature of departure from normal distribution. The kurtosis values for other proprietary brand Assets (3.2), and competitive advantage (0.05), are close to zero.

These imply that variables of this study are approximation of normal distribution. The implication is that there are normal changes in the variable as predicted by normal distribution (10). Similar to skewness, the kurtosis coefficients for all the variables were approximately three thus provide support for normal distribution in the variables (11).

The skewness values for other proprietary brand Assets (0.62) and competitive advantage (0.05), are close to zero implying that that the variables of this study are approximation of normal distribution and means that there are normal changes in the variable as was predicted by normal distribution in this study. Similar to skewness, the kurtosis coefficients for all the variables are approximately 3, thus providing support for normal distribution in the variables (11).

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Table 2: Table showing Descriptive Statistics for Other Proprietary Brand Assets and Competitive Advantage

Variable	Mean	Standard Deviation	Kurtosis	Skewness
OPBA	3.8574	0.60585	3.200	0.062
CA	3.6355	0.36519	3.856	0.057

OPBA = Other Proprietary Brand Assets, CA= Competitive Advantage

Analysis of Multi-co-linearity in Other Proprietary Brand Asset Variables

Multicollinearity exists whenever two or more of the predictors in a regression model are moderately or highly correlated. It is a state of very high intercorrelations or inter-associations among the independent variables. It is therefore a type of disturbance in the data, and if present in the data the statistical inferences made about the data may not be reliable (12).

In the presence of high multicollinearity, the confidence intervals of the coefficients tend to become very wide and the statistics tend to be very small. It becomes difficult to reject the null hypothesis of any study when multicollinearity is present in the data under study (13).

The presence of multicollinearity in this study was evaluated using Tolerance levels and the Variance Inflation Factor (VIF). The decision rule for the Tolerance level is to accept absence of multicollinearity if the tolerance level is greater than 0.5. Similarly, there is absence of multicollinearity if the VIF if less than 3.

A coefficient of the VIF (1.314) was less than 3 for other proprietary brand assets variables. Hence, provide support for the absence of multicollinearity shown by the Tolerance level (0.761). Consequently, there is no existence of multicollinearity in the predictor variable. They are therefore good for empirical analysis.

Effect of Other Proprietary Brand Assets on Competitive Advantage among Beer Products in Kabale District

The F-statistics indicate that all coefficients (other proprietary brand assets), excluding constant, are not zero. This is evident in the p-value of f-statistics is less than the critical value. Standard error of estimate represents the imprecision of the regression equation in fitting the data. The closer the coefficient of standard error of estimates to zero, the better and more reliable the analysis.

This suggests that the regression equation is properly fitted in the data. More so, the Durbin-Watson coefficient of 1.97 indicates that there is absence of serial correlation in the residual of the regression estimate. This is because the Durbin-Watson value was near to 2

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Effect of Other Proprietary Brand Assets on Competitive Advantage among Beer Products in Kabale District, South Western Uganda

H_{01} Other proprietary brand assets have no statistically significant influence on competitive advantage among alcoholic beer products and producers in Kabale district, south western Uganda.

Decision:

The findings presented above provide support for H_{01} stated in Section 1.6, since the calculated *t*-statistic (0.314) of the other proprietary brand assets coefficient is less than the critical *t*-statistic at the 5% significance level (1.960). Similarly, *p*-value of the effect of other proprietary brand assets on competitive advantage (0.753) is far greater than the significance level (0.05), and thus indicates evidence in support null hypothesis 5.

This implies that other proprietary brand assets do not significantly affect competitive advantage in alcoholic beer products and producers in Kabale district, South Western Uganda.

Hence, we do not reject the null hypothesis that other proprietary brand assets have no statistically significant influence on competitive advantage among alcoholic beer products and producers in Kabale district, south western Uganda at the 5% significance level. Consequently, H_{05} is not rejected.

Discussions

The study set up to investigate the influence of other proprietary brand assets on competitive advantage in alcoholic beer products and producers in Kabale district, Uganda and this was done through testing the fifth hypothesis (**Ho1):** Proprietary brand assets has no statistically significant influence on competitive advantage among alcoholic beer products and producers in Kabale, Uganda.

The results of the regression model estimate of the effect of other proprietary brand assets on competitive advantage in alcoholic beer products and producers in Kabale district, south western Uganda indicated that other proprietary brand assets coefficient has no positive significant effect on competitive advantage in alcoholic beer products and producers in Kabale district, south western Uganda at the 5% percent significance level.

This is evident in the value of the t-statistic (0.314) being less than the theoretical t-statistic (1.96), and the p-value (0.753) being far above the significance level (0.05). From the results of the regression model, the other proprietary brand assets coefficient is not significant at the conventional levels.

The findings provide support for **H_{01}**, since the calculated *t*-statistic (0.314) of the other proprietary brand assets coefficient is less than the critical *t*-statistic at the 5% significance level (1.960). Similarly, *p*-value of the effect of other proprietary brand assets on competitive advantage (0.753) is far greater than the significance level (0.05), and thus indicates evidence in support null hypothesis **H_{01}**.

This implies that other proprietary brand assets do not significantly affect competitive advantage in alcoholic beer products and producers in Kabale district, south western Uganda. Hence, we do not reject the null hypothesis that other proprietary brand assets have no statistically significant influence on competitive advantage among alcoholic beer products and producers in Kabale district,

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south western Uganda at the 5% significance level. Consequently, H_{05} is not rejected.

The findings further point to the failure of brand names, logos, trademarks and channel relationships which make up the other proprietary brand assets to create competitive advantage in alcoholic beer products and producers in Kabale district. The above results are not consistent with the findings reported on other proprietary brand assets and competitive advantage variable in previous studies (14).

The result of the study shows a strong relationship with firm's value (15). However, Djuricin, Janosevic, & Kalicanin (16), findings contradict the results of this hypothesis test and Parminder (17), findings indicate a significant effect on competitive advantage. The results on this specific objective are contrary to the results by Deborah (18), whose results indicated that branding and organizational performance are significantly and positively correlated ($P=0.692$; $p<0.01$).

Further the result is inconsistent with previous report (4) that the competitive edge of a trademark in a specific country is very important to brands over time. The results of this study aim to strengthen the supposition that consumers of beer products in Kabale district do not consider brand names, trademarks, logos and channel relationship when partaking beer purchases.

Contribution to sustainable development database

This study will help beer brand managers and marketing managers to understand the importance of other proprietary brand assets on competitive advantage. Other Proprietary Brand assets are important to firms since they can establish consumer satisfaction, repurchasing intent and increases degree of loyalty hence competitive advantage.

Moreover, marketing manager and brand managers should effectively manage and utilize the antecedent of brand equity, including brand awareness, brand loyalty, brand association, and appropriate quality. In higher competitive market like the beer industry in Uganda, brand equity is very necessary to maintain or increase the level of competitive advantage.

The results of the study show the benefits of other proprietary brand assets in influencing competitive advantage and therefore marketing managers and brand managers should use product innovations strategies and pricing strategies to create a competitive positioning within the beer industry in South Western Uganda.

It is worthy to disclose that while previous studies have provided results of brand equity and competitive advantage however most of the studies originate from different industries and countries globally and therefore this study contributes to the existing literature in Uganda and in the field of beer industry hence filling this gap by being the first study that expounds on brand equity relationship with competitive advantage of branded beer products among customers and producers in Kabale District South Western Uganda.

Limitation

The researcher faced Lack of current related studies with respect to Other Proprietary brand assets and competitive advantage in alcoholic beer products in Kabale District South Western Uganda. The researcher mitigated this challenge by comparing research in different industries, both locally and globally.

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The accessibility of the respondents was also a challenge in and outside the shopping centers, clubs and bars due to the fact that most of the respondents would be drunk and not in any way ready to answer and respond to the research instrument. This challenge was mitigated by the researcher ensuring that sober respondents were purposively selected and this was achieved by using a reasonable person standard. Solving all these limitations would be interesting in order to develop future researches on the topic.

Conclusions

Conclusions from this include the facts that

- Other proprietary brand assets do not significantly affect competitive advantage in alcoholic beer products in Kabale District, South Western Uganda.
- Brand names, logos, trademarks and channel relationships which make up the other proprietary brand assets do not create competitive advantage in alcoholic beer brands in Kabale district.
- Beer brand consumers in Kabale district do not buy beer brands but they buy a set of benefits that they link up with the beer brands. This is supported by the finding on the relationship between brand association and competitive advantage which was significant.

Recommendations

The findings of the study indicate that other proprietary brand assets do not significantly affect competitive advantage in alcoholic beer products in Kabale District and therefore this study provides a solid foundation for brand managers of beer brands in Kabale District and UBL and EABL to utilize these results when crafting marketing and communication messages regarding their beer products in Kabale district and in Uganda at large.

The study recommends also to beer producers that it is also important to construct a meaningful brand name, colours, and logo due to the fact that these proprietary assets were not fronted and centered in the mind of the consumers. This is evidenced by the no significant effect of other proprietary brand assets on competitive advantage as per objective five of this study.

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List of abbreviations

BE - Brand Equity, CA- Competitive Advantage, CBBE - Customer Based Brand Equity, CEOs- Chief Executive Officers, CPD- Confidence in purchase decision, DF- Differentiation, EABL- East African Breweries Limited, FBBE-financial based brand equity models, KBV- Knowledge Based View, PR- Public Relations, MSI- Management Science Institute, RBV- Resource Based View, SCA- Sustained competitive advantage, VRIN- Valuable Rare Imitable Non-substitutable

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