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## Brand equity in low involvement products

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Faculty of Business, Management and Economics

**Brand equity in low involvement products**  
Bachelor Degree

Berat Thaqi

September/2010  
Prishtinë



Faculty of Business, Management and Economics

Bachelor Thesis  
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Student: Berat Thaqi

**Brand equity in low involvement products**

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September/2010

This thesis is submitted in partial fulfillment of the requirements for a  
Bachelor Degree

## **PREFACE**

This thesis was written at the Marketing and Sales department in University for Business and Technology and completed on September 2010. First of all, even though I had too many challenges during the long journey of bachelor thesis writing, I consider that it was a great and one of the most learning experiences that I have ever had. During the bachelor thesis writing process and through all three years at UBT I would like to thank some persons who have contributed in my professional development.

First, I would like to thank God for blessing me with health and all other positive things in my life. Secondly, I would like to thank my precious family Mom, Dad and my two sisters. Thirdly, a big thanks to the supervisor of this thesis Urgan Alija who was very professional and kind and also persons interviewed for this thesis. Finally, thanks to the all professors at UBT who have prepared me to complete and do these big works.

Prishtinë, September 2010

## ABSTRACT

This study is done in the field of branding, and the aim is to understand the relationship between low-involvement products and brand equity which is “the positive or negative association the consumers make with the product in the way they feel, think and act”. Second objective of this study is to analyze how low-involvement products can create a distinct brand identity which is the heart or brand’s essence.

This explanatory study is a case study which uses a deductive approach combined with quantitative and qualitative data. After doing a literature review, two questionnaires were developed in order to measure respectively analyze a low-involvement product’s brand equity and identity. One questionnaire is developed for company, the other is developed for a group of 25 people who live in Kosovo which may or may not have used the product. These 25 people are chosen using a non-probability method.

Based on the findings from conducted research which measures brand equity of natural water (low involvement product), the results show that in many dimensions of brand equity such: brand awareness, perceived quality, association/differentiation, satisfaction, and price premium a low involvement brand can create strong equity. Also, the same brand which competes in a product category when functional benefits differences are not easily noticed or not noticed at all, can built a distinct brand identity by using sources beyond his functional benefits.

This research leads to some implications for theory, company and future researches. In general, theory should give more importance regarding relationship between the level of product involvement and brand equity. While in the future, a research with higher number of low involvement products and a bigger sample of participants may offer more facts regarding brand equity in low involvement products.

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# 1. INTRODUCTION

*This chapter provides an introduction regarding research done in the branch of branding. First I will provide some background information regarding history of branding and its importance, and also a short summary of branding situation in Kosovo. A problem discussion will continue which will lead to research question and overall research purpose.*

## 1.1. Background information

Brand emerged as a result and a need to protect legally products invented, secondly to guarantee quality and homogeneity after sellers and buys lost their face-to-face contact, and third need to differentiate products (Jones P.J., Slater S.J. 2003). The earliest signs of branding were used by craftspeople to protect their products from inferior quality (Kotler P., Keller K., 2006).

Today, branding has gained a broad attention by many authors and businesses, and maybe the best statement which describes brand's importance is one sentence said from John Stuart, Chairman of Quaker who says: "If this business were split up, I would give you the land and bricks and mortar, and I would take the brands and trade marks, and I would fare better than you ". The importance of brands comes from the fact that brands have a remarkable ability to impact the way people percept the product (Kellog on Branding, 2005). Beyond the product itself, the name of premium brand would increase the product value and people will perceive it as qualitative, expensive and exclusive or will do it otherwise. Top ten brands in 2009 according to Interbrand presented in the following table are:

	2009		2010	
	Brand	Value in m \$	Brand	Value in m \$
1	Coca-Cola	68.735	Coca-Cola	70,452
2	IBM	60.211	IBM	64,727
3	Microsoft	56,647	Microsoft	60, 895
4	GE	47,777	Google	43,557
5	Nokia	34.864	GE	42,808
6	MC Donald's	32,275	Mc Donald's	33,578
7	Google	31,980	Intel	32,015
8	Toyota	31,330	Nokia	29,495
9	Intel	30,636	Disney	28,731
10	Disney	28, 447	Hawlett-Packard	26,867

**Table 1. Top ten brands 2009**  
**Source: Interbrand**

Nowadays, we see very often authors who refer to brands as something that goes beyond the product, brands exceed the basic needs that they fulfill and become a symbol for the user, while on the company side brands are the most valuable asset. In the last quarter of 20<sup>th</sup> century there was a dramatic shift in the understanding of the creation of shareholder value, for the first time companies started to derive value from their intangible assets and not just from their tangibles asset like manufacturing assets, land, buildings and financial assets, moreover to say in many business brand became the most important asset (Linderman J, 2004). Brands have impact on customers, employees, investors and governments, and very often today are used also from non-profit organizations to gain donations. Brand is something that goes beyond the product itself; in one side it gives companies an advantage and in other side consumer's an easy decision making process

In average consumers are able to pay 20 to 25 percent more as premium price for a strong brand comparing with private labels (Davis S.2000)

### **1.2 Background information about branding in Kosovo**

Even though branding has gain a significant importance in the world literature, this concept is still in the beginning phases of understanding and application from Kosovo's companies. In one of a few researches which have been conducted in Kosovo regarding branding from Kosovar companies, the research done by Arton Celina (UBT NEWS, 2009) among other findings shows that: most of Kosovo's companies understand importance of brands but only 11 out of 56 companies have personnel which exclusively deal with marketing in their hierarchy. Another finding shows that 80 % of companies consider that word BRAND means logo and company's name, while others say that is a broader concept like the company's value, service that they provide ,culture the company promotes etc.

Even though findings show that companies are starting to improve regarding the understanding and application of brand concepts, the importance of branding is not still in the desired level. The findings show that manufacturing companies are giving a higher importance regarding branding, because this is a decisive factor in creation of emotional relationship between product, company and customers.

### **1.3. Problem discussion**

As mentioned above branding is a concept that goes beyond the functional benefits of the product, and as the time goes they create brand equity. According to my research authors are divided into two categories regarding brand equity: some authors consider brand equity from financial consideration and the value of the brand equity for the firm, while another group considers brand equity from the customer perspective by stating that brand equity exist in the consumer mind.

One of the famous authors regarding brand equity David Aaker (1996), defines brand equity as “a set of equity assets (and liabilities) linked to a brand’s name and symbol that adds to (or subtract) the value provided by a product or service to a firm and/or that firm’s costumers”. Based on this definition brand equity is an asset and value is increased by investing on it, second brand equity creates value for the customer and the firm, third asset and liabilities must be linked to the name and symbol of the brand. According to Keller K.L and Lehman D.(2008), brand equity arises when it is seen as distinctive in a positive and important ways in the minds of customers, so the brand can be thought as a promise to the customers, and it’s association has important implication what brand can and can not do.

Aaker D. conceptualized brand equity as a set of five assets: brand awareness, perceived quality, brand loyalty, brand association and other proprietary assets. These assets are explained in detail on the literature review chapter, but here I explain further brand association which is driven from the brand identity. Aaker D. defines brand identity as “a unique set of brand associations that brand strategies aspires to create or maintain”. Brand identity according to Aaker consist of twelve dimensions organized around four perspectives:1) the brand as product ,2) brand as organization, 3)brand-as-person, and 4) brand as a symbol. According to author a brand does need to use all these sources to create brand identity, sometime just one is enough to create.

From the above definitions and many examples provided by authors regarding brand equity and brand identity as part of the brand equity, it is obvious that these concepts worked very well in products with high level of involvements, which at the same time it is not difficult to make the difference among competing brands. But these authors do not give to much information whether concept of brand equity and identity can work in product categories when difference between products and level of involvement with it is very low. **Low involvement products** are those products in which consumers do not consider the product very important and do not strongly identify with it (Assael H., 2004).

#### **1.4. Overall purpose and research question**

The purpose of this paper is understood whether a low involvement product category when difference among competing brand it is not very obvious can create brand equity. In order to achieve this objective I will explore some of the most important concepts described in the literature regarding brands like: brand equity, brand identity,

brand equity measurements ect. and look how these concepts can be used to analyze brand equity in practice. This paper will also show findings of a study which will be conducted and in which I will analyze spring water Uje Rugove. The study will start by doing a brand audit of the brand, and then the research will delve in brand equity from customer perspective. In particular the following two questions will be addressed and explored throughout the study:

RQ1. Can a low involvement product create brand equity from customer-perspective?

RQ1. How can products with same functional benefits create distinct brand identity?

## 2. LITERATURE REVIEW

*Literature review contains a summarized description of some of the books and researches from branding topic which are connected with two questions made in the introduction chapter. Concepts like brand equity, brand identity, brand personality and brand measurement are the essentials guides for the conceptual framework of this research.*

### 2.1. Brand definition

According to American Marketing Association brand is “a name, term, sign, symbol or design, or a combination of them, intended, to identify the goods or services of one seller or group of sellers and to differentiate them from those of competitors”. Aaker (1991) defines branding as “a name used to identify and distinguish a specific, service or business”. The famous David Ogilvy defines branding as “intangible sum of a product’s attributes: its name, packaging, and price, its history, its reputation, and the way it’s advertised.”

Brand is something that goes beyond the product itself; in one side it gives companies an advantage and consumers an easy decision making process. In average consumers are able to pay 20 to 25 percent more as premium price (Davis S.2000)

Branding is endowing products and services with the power of a brand, it about creating difference. By using a name and using other brand elements teaches consumer who the brand is, what product does and why consumers should care (Kotler P., Keller K., 2006) Branding requires corporate long-term involvement, a high level or resources and skills (Kapferer J., 2008) It is surprising how brands continue to stimulate interest although so many prophets and experts have recently claimed that they have no future (Kapferer, 2008). Even though brands create advantages for companies, they are not always positive: association can be positive or negative (Kellogg on Branding, 2005). Example of brands or companies with negative associations in Kosovo are very often public companies, these companies are very often associated with corruption, nepotism, mismanagement etc. Virtually any type of service or product can be branded from water, medical and pharmaceutical services, religious groups, nonprofit organizations, universities, countries, televisions and every person is a brand.

### 2.2. Defining Brand equity

Aaker, D. (1996) defines brand equity as “a set of equity assets (and liabilities) linked to a brand’s name and symbol that adds to (or subtract) the value provided by a product or service to a firm and/ or that firm’s costumers”. Kotler and Keller (2006) defines brand equity as the “the added value endowed to products and services. This value may be reflected in how consumers think, feel and act with the respect to the brand,

as well as the prices, market share, and profitability that the brand commands for the firm.” Gil et al (2007) suggest that brand is closer to brand equity. Literature seems consistent in the view that branding evolves during interaction of customer with the brand that leads to a recognition and feeling toward the brand (Berthon, Holbrook, Hulbert 2003).

According to Keller K.L and Lehman D.(2008), brand equity arises when it is seen as distinctive in a positive and important ways in the minds of customers, so the brand can be thought as a promise to the customers, and it’s association has important implication what brand can and can not do. Spending on manufacturing and marketing are not considered:”expenses” but “investment in brand. In strengthening the brand it is important the “quality” of investment, rather than “quantity”, so it possible to overspend on branding if money are not spent wisely. (Kotler, P., Keller K.L. (2006); Keller, K.L., Lehman D.2009)

According to Keller K. a positive brand equity can potentially enjoy seven customer-related benefits: be perceived differently, enjoy greater loyalty and be less vulnerable to competitive marketing actions, command larger margins increase and have more inelastic responses to price increases and elastic responses to price decreases, receive greater trade cooperation and support, increase marketing communication effectiveness, yield licensing opportunities, support brand extension.

The major asset categories of brand equity according to Aaker are: 1) Brand name awareness, 2) Brand loyalty 3) Perceived quality, 4) Brand associations. **Brand awareness** is defined as the strength of a brand’s presence in consumers mind, and is measured in the different ways in which consumers remember a brand ranging from recognition to recall. **Perceived quality** is a brand association that is elevated to the status of a brand asset. Brand loyalty affects brand value because of the strong base of consumers and based on loyalty, companies create loyalty programs which help enhancing brand equity. Central to the brand association is brand identity- how organization creates the image of the product in customer’s minds.

### 2.3. Building Brand equity

According to Kotler and Keller (2005) marketers create brand equity by creating the right brand knowledge structures with the right consumers. **Brand knowledge** consists of all thoughts, feelings, images, experiences, beliefs, and so on that become associated with the brand. According to these authors the brand equity drivers start by choosing the initial brand elements or identities such are: **brand names, URLs, logos, symbols, characters, spokespeople, slogans, jingles, packages and signage**. For example Uje Rugove tried to build his brand by choosing a name of famous Albanians mountain, while their slogan “ E pifshi per shnet” in Albanian try to send messages for the healthiness of this product.

The next drivers according to these authors are: **The product and service and all accompanied marketing activities and supporting marketing programs.** For example Uje Rugove did not spend too much on advertising, but they built their name by using sponsorship and trying to connect their product mainly with youth events, at the same time they gained strong retailers support because of the product quality,

The last brand equity driver in this list: **Other associations indirectly to transfer to the brand by linking it to some other entities (e.g. a person, place, or thing)** Uje Rugove built his name by linking it with Kosovar mountains, this associated the product with the fresh and natural water of these mountains and they achieved to send the message of quality of product by this association.

According to Tim Calkins on book Kellogg on Branding and Aaker D. (1991) in today market environment to build a brand is very hard, but doable. The main challenges facing brands are: pressure to compete on prices, proliferation of competitors, fragmented markets and media (clutter), complex brand strategies relationships, bias toward changing strategies (consistency), bias against innovation, pressure to invest elsewhere, short-term pressure (cash). Aaker D. gives an interesting example when he explains that while he has been asking executives if brutal price competition is a norm in different industries- he mentions that only one executive had answers negative- and he was the director of Panama Canal !.

As market becomes more competitive, at the same time number of media is being increased and for companies is becoming harder first to coordinate their marketing campaign strategies and second to be noticed from customers. For example in Kosovo comparing the situation ten years ago, when we had only three national televisions, today we have 2 networks of cable TV each with 80 programs, while at the same time number of internet users and Albanian web pages has been tremendously increasing. Another big challenge of those mentioned above, is that the reality of a brand as a singular entity has vanished. For example, today Post Telecommunication of Kosovo, beside that offers their traditional services of post and fix telephony, this company has to coordinate between new services or brands that offer like: Vala (mobile phone telecommunication) and also Internet services.

To summarize: a major problem in brand building is that executives need to deliver short-term financial results, but brands are long-term assets. The first is that, there is a tremendous pressure to hit quarterly profit targets, second is that managers concentrate on tangible assets such as profit which helps measure the performance and not in intangible such as brand.

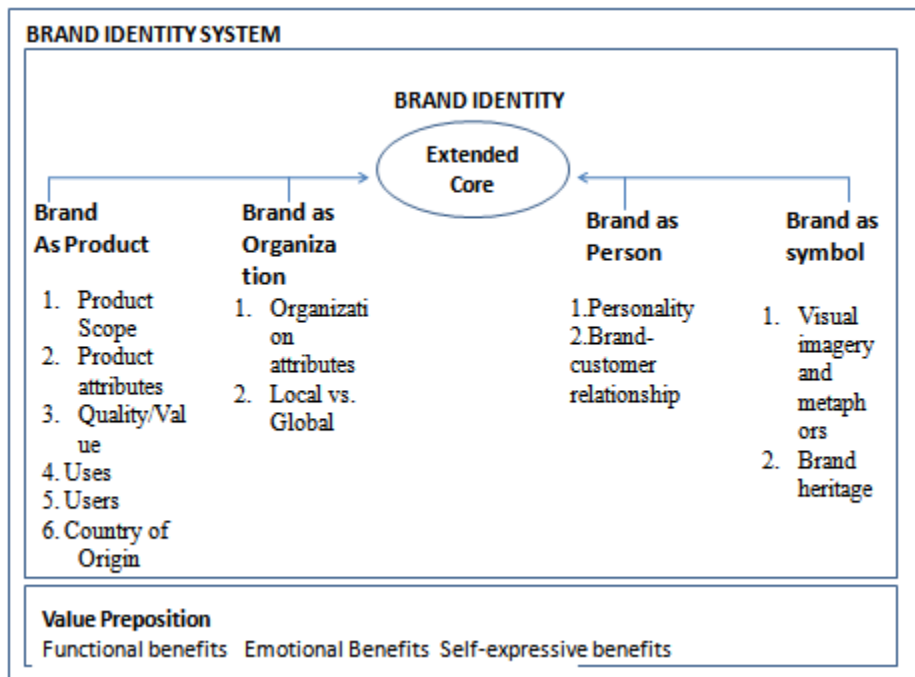
## 2.4. Brand Identity

The concept of brand identity is recent; it started in Europe and then gained worldwide recognition (Kapferer, 2008)



Aaker D. gives especial importance to the brand identity which he defines as” a unique set of brand associations that brand strategists aspire to create or maintain”. Brand identity according to Aaker consist of twelve dimensions organized around four perspectives:

1. brand as product (product scope, quality/value, product attributes, uses, users, country of origin),
2. brand as organization( organizational attributes, local versus global),
3. brand-as-person(brand personality, brand costumer relationship), and
4. brand as a symbol( visual imagery/metaphors and brand heritage).



**Figure 1.Sources of brand identity**  
Adapted from David Aaker (1996) “Building strong brands”

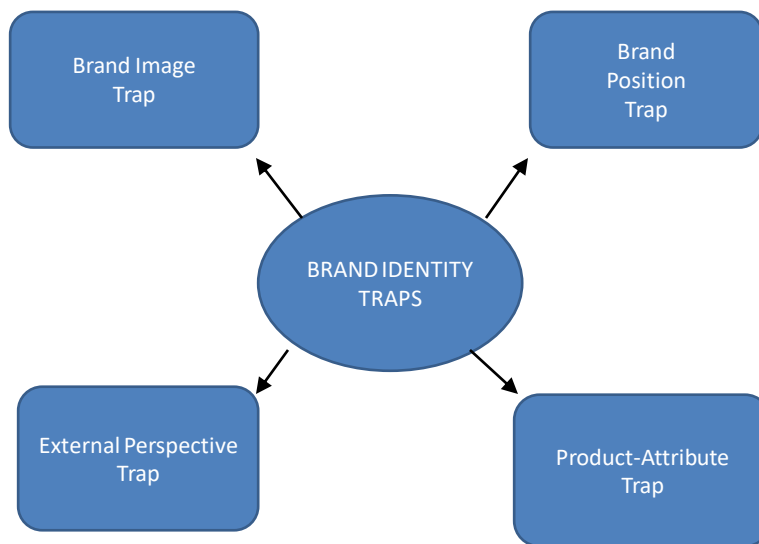
Author Kapferer(2008) defines brand identity as” being true self, driven by personal goals that is both different from others’ and resistant to change”. Similar to dimensions of Aaker D. identity model, he states that there are six facets of brand identity: physical specifics and qualities, brand personality, culture, relationship, customer reflection.

According to Aaker D. there are four traps that are more common, in understanding the brand identity. These are: brand image trap, external perspective trap, brand position trap, product- attribute fixation trap. Even though these dimensions are part of brand identity, they may be very limited. Like Aaker D. and Kapferer(2008) states that brand identity and image are to different things, which are very usually mixed. Brand image is on the receiver side (customer), how they perceive the brand, while brand



identity it is on the sender side (company) and it specifies the brand's meaning, aim and self-image.

Brand position is part of the brand identity that should be actively communicate to the audience, but the search for brand positioning should not be a search for brand identity because it may be converted in a simply advertising tag line. Another very common identity trap according to Aaker is product attribute fixation trap and this approach: may limit your brand to differentiate, it is ease to copy from competitors, limits brand extension strategies, reduce strategic flexibility and fails to achieve irrational consumer decision makers.



**Figure 2.Brand identity traps**  
Source.David Aaker (1996)

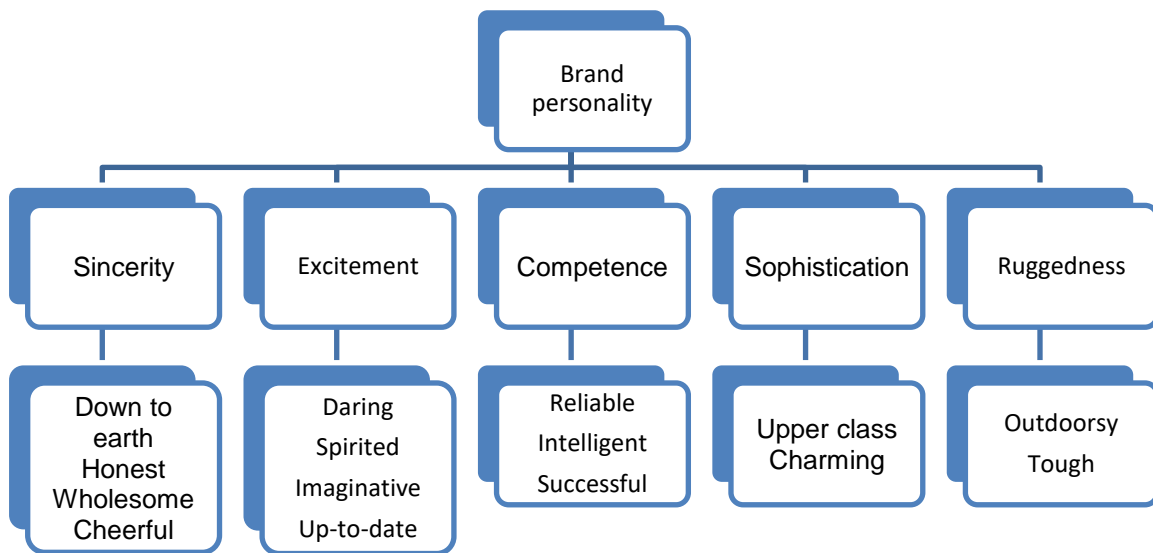
Further he states that brand identity includes core and extended identity. The core identity- the central, timeless essence of the brand- will remain constant as the brand travels around new markets and products. The extended identity included brand identity elements, organized into cohesive and meaningful groupings that provide texture and completeness. As an extended identity of the brand, very often is his brand personality, which will be explained next.

## 2.5. Brand Personality

An important aspect which can help in creating brand equity is brand personality. Brand personality is defined as the set of human characteristics associated with a given

brand (Aaker L.P 2005). Just like people brands have their own personality and can be described by the same humane traits, age or lifestyle (Aaker D. 1996). Brand personality can help a product differentiate him self in a product category (Plummer J. 1985)

Aaker D. (1996) states that sources which create brand personality can be grouped into: product related characteristics (product category, package, price, and distribution) and non-product related categories (user imagery, sponsorship, age, ad style, symbol, country of origin, company image, CEO, celebrity’s endorsers). Further Aaker L.P. (1997) developed and validated a framework to describe and measure 42 traits that constitutes 5 core dimensions of brand personality: sincerity, excitement, competence, sophistication and ruggedness.



**Figure 3.Brand personality dimension**  
**Source: Aaker, Lopez P., (2005)**

According to Aaker D. (1996) brand personality can create brand equity in three ways: self expression model, relationship basis model, and functional benefit representation model. **The self expression model** assumes that for a group of people, the brand itself is a mean to express part of their self-identity, where self-identity could be actual him or idealized. **The relationship basis** model suggests that some people for example may never want to be a leader, but they would like to have a relationship with one, and based on their preferences they would connect or buy different brand with different personalities. And the last, **functional benefit model** suggests that brand personality can serve as a vehicle for representing functional benefits and attributes.

## 2.6. Brand position

Brand position is the part of brand identity and value proposition that is to be actively communicated to the target audience and that demonstrates an advantage over competing brands. (Aaker D.1996). Kotler and Keller 2006 define brand positioning as:” the act of designing a company’s image and offering to occupy a distinctive place in the minds of the target market”

According to Aaker D. sources of brand position could be: core brand identity, points of leverage and value proposition. When positioning a brand it is important to define the target audience, and then choosing effective communication channel to strengthen or change your brand image. Another important point when positioning a brand, it is important to demonstrate an advantage which differentiate the brand from competitor and also resonate with customers, but a company should be very carefully in which aspect give superiority, because it can not be superior in all dimensions. It is enough for a company to be superior in one dimension, while in others keep a standard quality. (Aaker, 1996, Kotler P. Keller K. 2006).

Kotler and Keller 2006 state that the starting point in brand positioning is to determine category membership-the product or sets of product with which brand competes or which function as close substitutes. By determining category membership the company defines the nature of competition and target market.

The second step is to define points of difference(PODs) and point of parity(POPs) Points of difference are benefits consumers strongly **associate** with a brand, positively evaluate, and believe that they could not find to the same extent with a competitive brand. Points of parity are associations that are not necessarily unique to the brand but may in fact be share with other brands. According to these authors marketers must decide at which level to accent the brand point of difference. At the lowest are brand’s attributes, at the next level are the brand’s benefits, and at the top are brand’s values. The attributes can more easily be copied therefore are on the lowest level, also customers are more interested in benefits than in attributes.

Kapferer J (2006) states that four questions are important when positioning the brand. A brand for what benefit, a brand for whom, reason (elements: factual or subjective, that support the claimed benefit), and the last a brand against whom.

When it comes to the execution the strategic positioning it is important to choose the right media or channels, which will be explained more specifically in the following sections.

## 2.7. Brand Extension

As a strategic marketing tool to increase brand equity and save cost of introducing a new product, companies are very often using brand extension. Today eight out of ten new products in the market are brand extension (Ourusoff et al 1992).

The following definitions are according to Kotler P and Keller K. (2006) when firm uses an established brand to introduce a new product, it is called brand extension. When a new brand is combined with an existing brand, the brand extension is called a sub-brand. The existing brand that gives birth to an extended brand is called parent brand. In a line extension, the parent brand is used to brand a new product that targets a new market segment within a product category currently served by the parent brand, such as new flavors, forms, colors, added ingredients and package size (Aaker D. 1996). In a category extension, the parent brand is used to enter a different product category from the parent brand such as for example Honda products as automobiles, motorcycles, snow blowers, lawnmowers, marine engines, and snowmobiles.

Advantages of using brand extensions are: perceived quality, awareness, feedback to parent brand, product acceptance (Aaker D. 1996; Kotler P., Keller K 2006). Beside these factors extension can also decrease risk and cost, also give power regarding retailers because of the demand they are more inclined to stock the product and promote (Keller K., Aaker D., 1992, Kapferer J.N 2008).

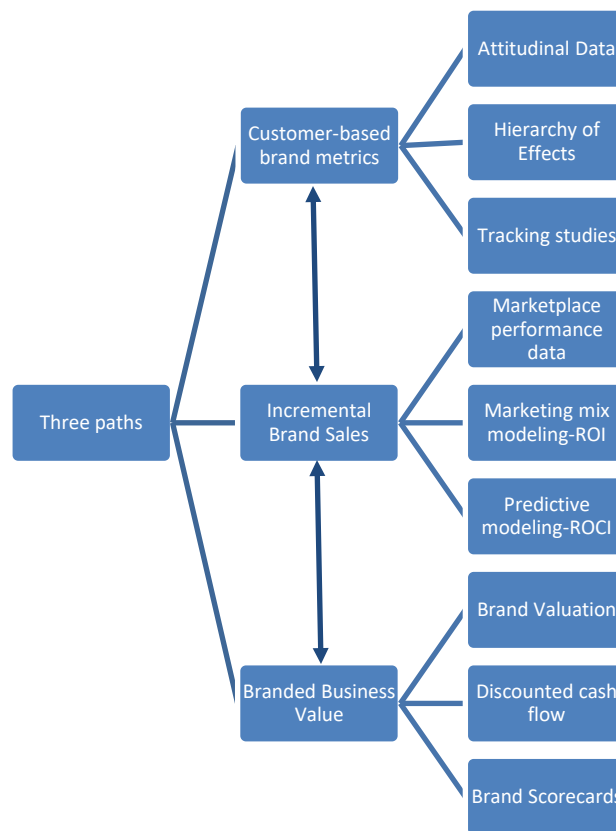
Disadvantages of brand extensions are: risk that core brand is diluted; the opportunity to develop another brand is foregone (Aaker D. 1996; Loken B., John D.R. 1993). Brand dilution occurs when consumers no longer associate a brand with a specific product or highly similar products and start thinking less of a brand (Kotler P., Keller K 2006). Some of the reasons why brand extensions fail are: consistency of the extended product with the parent brand, culture, motivation level, information accessibility and firm's branding strategies (Ahluwalia and Gurhan-Canli 2000, Milberg, Park and Mc Carthy 1997. Ng Sh. 2010)

Kotler P. and Keller K. 2006 accented that the most important consideration when using brand extension is the "fit" in the mind of consumers, which mean that consumer must see a base for extension common physical attribute, usage situation, or user types. In a study done by Yorkstone E. et al (2010), found that the success of brand extension can benefit from understanding and influencing consumers' implicit theories of whether traits are viewed as malleable or fixed are dispositional held and can be situational primed, 2) Implicit theories accent the perceived fit on the basis of congruence between the personality traits of the parent brand and those of the brand extension, 3) Through the use of persuasive communication, marketers can influence consumers' implicit theory disposition and, thus, their judgments of brand extensions.

To summarize before making a brand extension it is important to know the brand well and make questions like: What is brand personality? What identity does it conveys to its buyers and users? What are its latent associations and traits? (Kapferer J. 2008)

## 2.8. Brand measurement

There have been developed different methods to study and measure brand equity. These methods differ in terms of quantitative or qualitative, in side of the customer or company, financial or utility basis. Authors Shultz E.D. and Shultz E.H. state that there are three primary methods to measure, track and evaluate a brand over time. These methods are illustrated on the following figure.



**Figure 4. Three-Pathway model for measuring Brand Equity**

Source: Kellog on Branding (2005)

### 2.8.1. Brand Valuation vs. Brand Equity

The ability to evaluate and put a price tag on a brand's value may be useful for a number of reasons: 1) mergers acquisition-both to evaluate possible purchases as well as facilitate disposals, 2) brand licensing-internally for tax reasons and to third parties 3) fund raising-as a collateral for loans, 4) brand management decision, develop brand strategies to allocate resources, and prepare financial reports (Keller K.2007)

Many authors divide brand equity and brand valuation (Srivastava R, K., Shocker A.D.1991; Kotler P., Keller K 2006). Srivastava and Shocker proposed that brand equity is a multidimensional construct composed of brand strength and brand value. Brand strength addressed the consumer effects associated with brands, while brand value addressed the financial value of the brand. Consistent with authors who divide between brand equity and brand value is another theory that makes difference between consumer based perspective and company-based perspective on equity. (Atilgan et al 2005). The company based perspective measures brand equity based on documents like balance sheet, income statement and cash flows. In other words, this perspective states that strong financial results mean strong brand, negative financial results mean poor brand. This approach fails to take into consideration marketing mix key factors such as price and product attributes (Silk A. 1996). The consumer-based emphasizes the value of the brand and the value placed upon the brand by consumers (Fetscherin M., Toncar F.M. 2005).

Raggio and Leone (2007) show an interesting view regarding the difference between brand equity and brand value. They state that the simplest way is to take an example of brand with “zero equity” like private labels, store or own brands. They state that even these brands have value, because they generate revenues.

## **2.8.2. Customer based brand metrics**

Customer based approaches view brand equity from the perspective of consumer (Carpenter G. et al, 2004). From this perspective the power of the brand lies in what customers have seen, read, heard, learned, thought and felt about the brand over time (Aki N, 2003). According to this model there are three ingredients important to mention: the equity arises according to different consumer responses, the difference in a response is a result of consumer knowledge and this difference is reflected in consumer perception, preferences and behavior related to all aspect of marketing (Kotler P, Keller K.2003). Relevant with this view regarding brand equity there have been developed different methods to measure source of brand equity which is consistent with the consumer-based brand equity view. The following approaches discussed measure the sources of brand equity in utilities rather than in financial terms.

### **2.8.2.1. Brand Asset Valuator**

One of the most ambitious efforts to measure brand equity across products, termed the Brand Asset Valuator (BAV), is that of Young and Rubicam (Aaker D. 1996). BAV measures brand equity across different products and categories. The questionnaire has thirty-two items organized around four pillars:

- Differentiation measures the degree to which a brand is seen as different

- Relevance measures whether the brand has a personal relevance for the respondents or the breadth of the brand's appeal.
- Esteem measures how well the brand is regarded and respected. It is closely related to perceived quality.
- Knowledge measures how familiar and intimate brand is for customer

Brand strength is found by combining brand differentiation and relevance. It is hard to find brands that are strong in these two pillars, only the biggest brands have these characteristics. Whole differentiation and relevance form brand strength, esteem and knowledge create Brand Stature, which is more like "report card" on past performance. Some brand may be ranked high in esteem, but low in knowledge. This means that few people understand what the brand stands for, but those who do understand hold high regard. Brands in this positions usually have unrealized potential. New products for example show low levels on four pillars, while leadership brand show high levels on four pillars, and finally declining brands show low levels on differentiation, while also take moderate levels on relevance and esteem. (Kotler K., Keller P. 2006; Aaker D. 1996).

### 2.8.2.2 Brand Equity Ten

The measures developed by David Aaker (1996) consist of five categories. The first four categories deals with perception of the brands such are: loyalty, perceived quality, association and awareness. The fifth represent information from market rather than from consumers.

According to Aaker D. loyalty is the core dimension of brand equity, because it represents a barrier to entry for competitors. Two ways to measure loyalty are through price premium and customer satisfaction. The second measure which perceived quality is a key dimension in brand equity, because it has been shown that has direct relationship with returns on investment (ROI), This concept is very associated with brand identity and leadership. The third measure is association which can be measured in three ways dependent on which category the product consist in: 1) brand as product (value), 2) brand as person (brand personality) 3) brand as organization. The value of the brand can be measured by making question that gives answers if the brand proves value for the money. Brand personality is especially important with products that is difficult to make the physical difference between the brands and make a visible statement about the consumer in social settings. The brand as organization also could be a point of difference for the brand, when the product is made by an organization that people trust. Differentiation is the bottom-line of the brand, these three indicators measures it. But differentiation could be measured by a single indicator with direct question if customers see the brand as different.

The last category which measures consumer perception is awareness. Awareness represents the presence of the brand in consumers mind, and can be measures in different levers: recognition, recall, brand dominance, brand familiarity, graveyard sticks etcetera.



All the methods mentioned above are expensive and time consuming. An easier way to measure brand is by market share. But if market share is used as the only measure could be deceptive because you may have increase in your market share because of reduced prices or promotions. Also distribution coverage could be a measure of your brand strength.

Author Kevin L. Keller (2007) divides between quantitative and qualitative methods in measuring the sources of brand equity. Qualitative methods are relatively flexible methods and unstructured methods, and some of these techniques to measure the sources of brand equity are: free association, projective techniques, brand personality, ethnographic and observational approaches.

The free association technique is one of the simplest ways to profile the brand, the customers are asked to speak freely what comes to they mind when they think of brand (e.g. what comes to your mind when you think about Uje Rugove). This technique is especially helpful to uncover the core essence of the brand.

The projective technique it is useful in situation when customers have difficulties in speaking their true feelings for examples in cases in socially sensitive subject matters. The two following methods are available (Levy, 1999): Completion and interpretation task: which uses incomplete or ambiguous stimuli to elicit consumer's thoughts and feeling. Comparison task is a technique that asks customers to compare brands with people, countries, animals, activities, fabrics, occupation, cars, magazines, vegetables, nationalities, or even other brands. As one of the qualitative research methods is also brand personality. Ethnographic and observational approaches are techniques based on observing directly customers using the brands in their user situations. According to Keller K. (2007), the qualitative techniques are criticized because they often include small number of participants and also may be interpreted in different ways from managers.

In difference from qualitative techniques which give verbal information, quantitative techniques are concerned with scales and numerical information. Some of these techniques are: brand awareness, image (specific low level brand association and general higher level brand association).

Part of the image in low-level brand association is: brand performance and brand imagery. Brand performance is measured based on five attributes which vary from one category of products to another, these attributes are: primary characteristics and supplementary factors, product reliability, durability and serviceability, service effectiveness, efficiency and empathy, style and design and price. Brand imagery is how people think in abstract about the brand and is measured on five categories: users profile, usage situation, personality and values, history, heritage and experience. In high brand association the following are included: brand judgments and brand feelings. Brand judgments involve all different performance and imagery association to form different kinds of opinions and the most important aspect of judgment are: brand quality, brand



credibility, brand consideration and brand superiority. Brand feelings are the way the customers feel when they consume or use product, and it can be described based on six feelings (Kahle et al, 1988): warmth, fun, excitement, security, social approval, self-respect.

## 2.9 Marketing Communication and Brand Equity

**Marketing communications** are all the means by which the firms attempt to inform, persuade and remind consumers-directly or indirectly-about the products and brand that they sell (Kotler, Keller K. 2006).

When creating a new brand or maintaining its brand equity the marketing communications are essentials to keep in touch the company or brand with the consumer. There are different roles that marketing communications can play in relationship with branding. There are six modes or marketing communication according to American Marketing Associations:

1. Advertising- Any form of paid nonpersonal presentation and promotion of idea, goods, or services by and identified sponsor.
2. Sales Promotions-A variety of short-term incentives to encourage trial or purchase of a product or service.
3. Events and experiences- Company sponsored activities and programs designed to create daily or special brand-related communications.
4. Public relations and Publicity- A variety of programs designed to promote or protect company's image or its individual products.
5. Direct Marketing- Use of email, telephone, fax, e-mail or internet to communicate directly with or solicit response or dialogue from specific customers and prospects
6. Personal Selling- Face-to-Face interaction with one or more prospective purchasers for the purpose of marketing presentations, answering questions, and procuring orders.

Today we have theories that beyond the marketing communication messages, the brand-customer touch points very often sent more important messages than other marketing communication channels regarding brand experience and valuation from customers. **Brand-customer touch point** is any situation in which a customer comes into contact with a brand or company (Duncan T., 2005). According to this author the four basic categories touch points are: company created, intrinsic, unexpected, and customer Initiated.

Consistent with the brand-customer touch points, author Carbone L.P.(2004) talks about the brand experience as an crucial concept which helps increasing brand value and loyalty. The following figure depicts better his concept this brand experience affects brand equity and value.

<b>Brand Value</b>			
(The value of the brand to the company)			
Is based on			
<b>Brand Equity</b>			
( The value associated with the brand by the customer)			
which is based on			
<b>Experiential Value</b>			
The value derived with the brand by the customer)			
and results in			
<b>Brand Loyalty</b>			
(Preference, commitment and advocacy)			
which contributes to the value generated in			
<b>Financial Performance</b>			
(Profit, valuation and financial strength)			

**Figure 5.Creating brand value**

**Source: Carbone L.P. (2004)**

## 2.10. Product involvement

According to author Assael H. (2004), the level of involvement with a product varies from high to low depending on individuals, but in general there are five factors when a consumer gets involved with a product:

1. **Importance.** Consumer will perceive a product as important when: a) the product it is connected with the self-image b) has symbol meaning which reflects consumer's value, c) it is expensive, d) has important functional benefits.
2. **Emotional appeal.** Example of brand with a strong emotional appeal is Harley Davidson. This brand produces a kinship which results in a cult like, and is clearly a kinship that goes beyond functional benefits.
3. **Continuity.** A group of consumers have a continuous interest for certain products, for example a fashion-conscious person is continuously interested on clothes, or car buff and cars.
4. **Risk.** Among other risks products like medicaments include health risks, cars include life risks, and wardrobe includes social risks.
5. **Group norms.** Product has a sign or badge value.

### 2.10.1. Low involvement products

According to different researches, when consumers buy a low involvement product they do not seek information at all, but they decide to buy a brand and then develop an opinion about it. Generally, these products are bought by trying to save time and effort.

A comparison of low and high-involvement hierarchy	
Low Involvement hierarchy	High involvement hierarchy
1. Brand beliefs are formed first by passive learning	1. Brand beliefs are formed first by active learning
2. A purchase decision is made	2. Brands are evaluated
3. The brand may or may not be evaluated afterward	3. A purchase decision is made

**Figure 6. Low involvement vs. high involvement products.**  
**Source. Assael H. (2004).**

In a study done by Zaichoswsky J and Sood J. (1988) across fifteen countries found that consumer's involvement with soft drinks is firmly low in all countries.

According to author Assael H. (2004), the following implications are part of low-involvement marketing strategy:

1. Advertising should be repetitive and short, because the consumer is passive, which means it should also include just a few key points. TV ads, in-store displays and packaging are important communication tools, and advertising should be the primary means of differentiation. Television rather than print media should be used.
2. Product positioning should be more problem minimizing oriented, rather than benefit maximizing oriented.
3. Low involvement products are more price sensitive from the consumer's side than high involvement products.
4. Distribution should be widespread because consumers are not motivated to search.
5. Because consumers form attitudes about a brand after trying it, product trials are very important.

### 3. PROBLEM STATEMENT

In order to find deeper information regarding two questions made in the first chapter, a literature review has been done. First the definition of brand and brand equity are explained, and then chapter continues with other branding concepts which are sources or affect brand equity: brand identity, brand personality and brand extension. Then, through literature are explained different ways how to measure brand equity and some of the most used methods used in measuring it. Marketing communication chapter offers insights regarding different marketing communications channels and the way they affect brand equity. Finally, a chapter which explains nature of involvement and implications for low involvement products closes the above chapter.

The literature gives very good information regarding conceptual framework development in order to enrich the understanding of brand equity topic, but does not give an answer regarding questions made in the introduction chapter whether low involvement products can create brand equity. As stated above low involvement products are those products in which consumers do not consider the product very important and do not strongly identify with it. According to Keller K.L and Lehman D.(2008), brand equity arises when it is seen as distinctive in a positive and important ways in the minds of customers, so the brand can be thought as a promise to the customers, and it's association has important implication what brand can and can not do. From this definition I raised the first question, because low involvement products mainly are not differentiated, so I will measure brand equity of a low involvement product using David Aaker "brand equity ten" scale, in order to understand the connection between the low involvement products and brand equity,

The second question deals with brand identity, by trying to explain how can low involvement products when level of functional differentiation is very low, create a distinct brand identity. Kapferer (2008) defines brand identity as "being true self, driven by personal goals that are both different from others' and resistant to change". Aaker D. states that brand identity can be built using twelve dimensions organized around four perspectives- the brand as product (product scope, quality/value, product attributes, uses, users, country of origin), brand as organization( organizational attributes, local versus global), brand-as-person(brand personality, brand customer relationship), and brand as a symbol( visual imagery/metaphors and brand heritage). This explanation by Aaker D. answers the second question of this research regarding brand identity sources, but author does not give any answers if this model works in low involvement products.

Further, Aaker D. states that brand identity have a core and an extended identity. Extended identity of a product might be his personality which is defined as "the set of human characteristics associated with a given brand " (Aaker L.P. 2005). According to Aaker D. (1996) brand personality can create brand equity in three ways: self expression model, relationship basis model, and functional benefit representation model. **The self expression model** assumes that for a group of people, the brand itself is a mean to express part of their self-identity, where self-identity could be actual him or idealized.

**The relationship basis** model suggests that some people for example may never want to be a leader, but they would like to have a relationship with one, and based on their preferences they would connect or buy different brand with different personalities. And the last **model functional benefit model** suggests that brand personality can serve as a vehicle for representing functional benefits and attributes.

## 4. METHODOLOGY

*This chapter carries in details the different options that might be used when leading a research, while summarizing the methods that have been used in this study.*

### 4.1. Research purpose

Research purpose is the base which gives a direction for carrying out the research. Depending on the nature of purpose there are three categories of research purpose: exploration, description, and explanation

#### 4.1.1 Exploratory studies

This type of research is basically used to find out what is happening in little known or understood situation, in other words it is used mainly when the subject of study is relatively new ( Stapleton L. 2009). The value of exploratory study is that might give insight for other kinds of research. This kind of research almost exclusively implies using flexible qualitative methods using number of different techniques such are: literature reviews, interviews, focus group and case study.

#### 4.1.2. Descriptive studies

Descriptive studies include studies that have to portray accurately profile of things such are people, events, entities etc. This kind of study is a feature of exploratory studies also but in comparison with it, descriptive study needs prior extensive knowledge of the situation what is going to be described, therefore it is more structured or fixed. For this kind of study might be used qualitative and quantitative techniques: for example case studies, but also numerical data can also be used.

#### 4.1.3 Explanatory studies

Explanatory studies typically focus upon the casual relationships between variables that are substantively important and meaningful and looks for patterns (Stapleton L. 2009). In this type of research people typically develop some thesis and then gather data in order to support or refute their thesis. This type of study is more likely to include quantitative methods; typically a survey but also case studies and observational data might be used.

Summary: Based on the above explanations, I consider that my study is a combination of exploratory and explanatory study. My research tries to find the

connection between low involvement products and brand equity, which subjects are not discussed in details from literature. The fact that I am trying to learn new things about a subject makes this research an exploratory study, while the fact that I am trying to find connection between two things this study might be considered also as an explanatory study.

## **4.2. Research Approach**

### **4.2.1. Inductive versus Deductive**

Inductive approach moves from specific observation towards general patterns, in other words if the data are first collected and a theory is later developed as a result of data analysis, an inductive approach is applied. Contrary to this, a deductive approach starts by looking at theory, produces hypothesis form theory and than designs a research strategy to test the hypothesis. (Stapleton L.2009)

The difference between these two methods is that inductive approach is about building theory, while deductive approach is about testing theories.

Summary: Based on these two explanations, this study follows a deductive approach. Research starts by reading literature and theory, next two questions are raised then two questionnaires were developed and tested .

### **4.2.2. Qualitative versus Quantitative**

A way to distinguish between research methods is whether they collect and generate numerical or non-numerical data. A quantitative method means that data collection and data analysis generate numerical data. This kind of data usually includes descriptive and inferential statistics which are evaluated objectively, while emphasize is on hypothesis testing and verification. In contrast, a qualitative method the emphasis is on words rather on numbers and is more likely to be inductive and interpreting. Qualitative data are usually evaluated subjectively and emphasize is on description and discovery, while seeking psychologically rich understanding (Stapleton L. 2009).

Summary: My research is a combination of quantitative and qualitative data. Most of the questions with Uje Rugove users are quantitative on which I suggest the answer and participant have to choose an answer or more than one, while interview with company contains mainly qualitative questions.

### **4.3. Research Strategy**

Research strategy is a plan or scheme by which the activity of searching for and assessing information found is carried out. The research strategy may include: experiments, histories, surveys, archival analysis and case studies. Research strategy choice depends on research questions and objectives, the extent of existing knowledge, the amount of time and other resources available.

#### **4.3.1. Case Study**

Case study is a research methodology more common in social science, and it is used to investigate in depth single individuals, groups, or events. As my bachelor thesis focus on analyzing a spring water company brand more deeply by dwelling into the brand identity, personality and other brand equity dimension I have chosen a case study to be my research strategy. A case study is most often used in exploratory and explanatory studies research with the ability to answer the question “why” as well as “what” and “how”. Quantitative and qualitative techniques can be applied for data collection in case study. (Stapleton L. 2009)

### **4.4. Sample Selection**

In general sampling techniques are divided in probability and non-probability methods. In probability sampling each element of the population has a known non-zero chance of being selected, in these cases it is possible to compute sampling variations and project the results to the entire population. Probability sampling is often associated with surveys and experimental research strategies. In the case of non-probability sampling, the chance of selection of particular population element is known and, strictly speaking, results cannot be projected to the entire population. This kind of sampling is more often used in case studies, and relies on personal judgment somewhere in the process.

In my case I had to make two kinds of sample selection; first I had to choose a cheap product with low level of involvement and product category which customers find hard to make the difference between different brands, and second I had to choose the participants or customers of this product to be interviewed.

As a product which is one of the top selling spring waters in Kosovo, I chose “Uje Rugove” to be my sample. At the same time because of my real-life contacts, I had very easy to have access on information regarding this product and its organization. Because my study is concentrated on the customer perspective of brand equity I had also to select 25 participants which will answer question regarding Uje Rugove usage and experience.



As long as in my study I chose to interview a group of 25 persons which are in my online personal contact list, this mean that I have used a non-probability method because only persons in this contact list had the chance to be selected but not the entire population. Even though I can not generalize from a statistical viewpoint, very often researches use this sampling method to generalize about the entire population because of different constraints and limitations.

#### 4.5 Data Collection

In order to find facts about the research there might be two types of data collections methods: Primary and secondary data. The main distinction between these two methods is that primary data are collected by the researcher specifically for the purpose for which the data are required, while secondary data comes from researched that are already carried out by someone else for some other purpose. There are different source from which secondary data may come e.g. internal data from day-to –day activity, books, the census etc. The advantage of this kind of data is that saves cost and time.

During my research I used almost exclusively primary data, because the research purpose is very specific and data can not be found from secondary researches. I used secondary data in order to find general information regarding background environment when company acts.

According to Stapleton L. (2009) when using a case study as sources of evidence may be used: documentations, archival records, interviews, direct observations, participant observations and physical artifacts. The data in my research have been collected using interviews.

In order to gather information about company I used a semi-structured questionnaire with combination of **close-ended questions** and **open-ended questions**. Close-ended questions are followed by a structured response, when all possible answers are given with the question. Such question are easy to use, reduce interviews bias, reduce the bias exhibited by respondents in answering questions and facilitate coding and tabulation (Proctor T.2005).Open-ended questions can reveal more information and are more often used in exploratory work

The interviews with the company have been conducted face-to-face. The person interviewed is Kron Kelmendi – Distribution Manager who is also part of the upper management of company. The questions were sent in advance to him by email, in order to be prepared for the interview which took around 20 minutes. While the interviews with customers were mainly done by using email, I have sent the questionnaire email attached with an explanatory text in email body to a certain number of people, and than wait for their reply. The period which I have collected the questionnaire lasted over a month due to problems like: summer vacations and refusal to answer from participants mainly because they did not see interest to participate.

Regarding the conceptual framework of this study, I have used completely online books and it has been one of the most difficult parts of this study because I did not have access in any library, so I had to look for other ways. I also used a web-site EBSCOHOST which UBT has allowed us to get free journals. To find articles, journal and books for this research I used different word combination: brands, branding, brand equity, brand identity, brand personality, measuring brand equity etc.

#### **4.6. Data Analysis**

Two major approaches employed in summarizing the results of marketing research are tabulation and statistical analysis. Tabulation includes laying out data into easy-to-understand summary tables, which show the frequency of distribution which is tabulation of values that one or more variables take in a sample. Statistical analysis is undertaken to identify patterns that are not easy to see in the data (Proctor T. 2005).

In order to analyze the data I downloaded free survey analyzer software, which software helped me a lot regarding cross-tabulations and frequency of answers. Cross tabulation is the process of creating a contingency table from the multivariate frequency of distribution of statistical variables ( Web definition).

*Summary: This chapter gave details regarding methodology used in this research. My research is a combination of exploratory and explanatory study, which follows a deductive approach. I chose a case study in order to generalize later regarding the findings, and a non-probability method is used as a sampling technique. Questionnaires are a combination of open-ended and close ended questions, while during data analysis I have used a simple free software named Survey Said.*

## 5. RESULTS

*This chapter will present findings from survey done with 25 participants and a interview with Uje Rugove manager. At the beginning I am going to present information that I gathered from interview with the company, and then I will present the tables with the findings while analyzing and giving comments regarding findings and connection within data.*

### 5.1. UJE RUGOVE'S BRAND BACKGROUND INFORMATION

In order to understand better the treatment that this company does toward the brand, I asked some general questions regarding brand equity maintenance of the company and here are the findings.

First company does not have a budget for marketing purposes and a marketing department, but they have a distribution manager who is part of upper-management and also cares regarding brand maintenance together with the president of the company. They have different plans and ideas regarding the future and development of brand, but do not have a written one, even though they consider that that brand maintenance is very important for this company. Company had a contract with a marketing consulting agency Zero Positive Publicist Kosovo, but they do not have it anymore. Company has been engaged in export activities, and percentage of revenues from these activities in 2009 was 10 %.

#### 5.1.1. Marketing channels

In order to build and maintain their brand Uje Rugove has been using different marketing channels even though with a limited budget.

As the main source of marketing communication channel which Uje Rugove used is: sponsoring events mainly with sportive and cultural character. They used this kind of communication because it was cheaper and at the same time they targeted efficiently their target group. Another way which Uje Rugove tried to build credibility was by organizing different events at their manufacturing point, when people could see from near "the filling process", which according to company persuaded customers even more about the quality of the water.

Company used mass-media in minimum because of the cost of media buying, while the biggest TV appearance was done by sponsoring a reality show, when viewers where exposed to product placement.

### 5.1.2. Customer's Profile

Company considers that their primary group of customer regarding revenue generation is: Family. Second important group of users are youth people who use Uje Rugove in the bars, cafeteria and while walking out. They consider that this group is a strong publicity resource for Uje Rugove, because product gains high exposure from them.

### 5.1.3. Competition Profile

Product's primary competitors are considered to be: Dea, Panna and Rossa. Comparing with these products and others company considers that Uje Rugove strengths are: quality and place of origin (name), while weaknesses are: lack of experience in distribution, lack of cash for marketing purpose.

Company believes that basically their product offers the same functional benefits comparing with competitors and product does not fulfill an unmet need different from other products, but characteristics beyond functionality make this product different. Also they do believe that they have loyal customers, while the reason for this is consistency in quality of the product.

### 5.1.4. Brand Identity and Personality

Company thinks that at the heart of this brand and core identity is quality of the spring water and place of origin which at the same time is the name of product. As an extended brand identity company thinks that are they youth users which they say that “ in Prishtina capital city of Kosova, when ¼ of their population lives, having a bottle of Uje Rugove is a trend.”

Here it is how they describe the Uje Rugove personality:

*Down-to-earth: family-oriented, conventional, all Kosovar*

*Spirited: cool, young, lively, outgoing, and adventurous*

*Upper class: good-looking, sophisticated,*

*Outdoorsy: Athletic*

### 5.1.5. Internal Branding

An interesting concept regarding brand equity is that beyond their customer brands can create equity inside companies' employees, which enhances involvement and brand equity itself.

In my question whether there is a clear and shared vision with employees regarding the core values of the Uje Rugove, the respondent stated convinced that they failed to do this among the sales agents, while manufacturing department have an emotional commitment with the brand because it is named a based on their village name.

## 5.2. UJE RUGOVE'S CUSTOMER FINDINGS

### 5.2.1. Demographics

Before going into the findings regarding brand equity I will present demographics of the participants, which later may serve to analyze whether there is any connection between any demographic characteristic and brand equity question.

Age:	Under 18	18-25	26-32	33-39	40-45	46-52	over 52
	8.00%	80.00%	8.00%		4.00%		
Gender:	Male	Female					
	56.00%	44.00%					
Marital status	Single	Married	Divorced/Separated	Widowed	Missing		
	88.00%	4.00%			8.00%		
Education:	Primary school	Secondary School	Bachelor Study	Master	Doctorate		
		28.00%	72.00%				
Income per month	under 150	150-300	301-450	451-600	601-750	over 750	
	28.00%	44.00%	4.00%	8.00%		16.00%	

Table 2. Participant's demographics

### 5.2.2. Brand Awareness

This section will present the data regarding the brand awareness of the brand. Awareness refers to the strength of a brand's presence in the consumer minds. Recognition and recall are part of this section, and these are very important signals regarding the brand success. Recognition reflects familiarity gained from past exposures. In different studies conducted before, results have shown that familiarity with the brand name can affect the judgment regarding the quality of product (Aaker D.1996). My research only measure name awareness of the brand, not any symbol or visual imagery.

1. The first question in this questionnaire asked participants to write which bottled water brands out of Uje Rugove they can remember, and here are the answers:

	Ranked 1	Ranked 2	Ranked 3	Ranked 4	Ranked 5
Dea	5	2	1		
Bonita	8	7			
Don Aqua	4	3	1		
Akull	3	2	1		
Spring	1		1		

**Table 3. Natural waters remembered**

The most mentioned water is Bonita 15 person, and at the same time this product was the most remembered water as the first and second name. Then, comes Dea and Don Aqua which have almost the same results.

	Yes	No	Missing Cases
2) Have you heard of Uje Rugove?	96%		4%
3) Are you familiar with Uje Rugove?	88%	8%	4%
4) Do you have an opinion for Uje Rugove?	64%	28%	8%

**Table 4. Brand awareness**

Among those who have answered, 100 % of participants have heard of Uje Rugove, and 88% of them are familiar with this brand, while 64 % have an opinion.

### 5.2.3. General questions regarding brand usage

In the following section, I asked participants general questions about the usage of the brand. The purpose of this section is to analyze later if there might be any connection between usage frequency and situation with different dimension of brand equity.

	Yes	No				
5) Are you an Uje Rugove user:	100%					
	0.5 L	1.5 L	5L			
6) If yes, which is the size of the bottle you mainly use :	78%	18%	4%			

	of quality	it is expensive	you don't use bottled water	you use another bottled water brand	other reason ( please mention)_____	Missing Cases
7)If no, why do you not use Uje Rugove because						100%
	At home	Walking out	At a coffee bar or restaurant	Party	other situation ( please mention)_____	Missing Cases
8) In which situations you mostly use Uje Rugove: (more than one answer possible)	11%	35%	33%	8%	11%	
	More than once a day	once a day	once a week	occasionally		
9) How often do you drink Uje Rugove :	32%	36%	12%	20%		

**Table 5. General findings regarding brand usage**

Based on the table above 100 % percent of participants are users of Uje Rugove, and most of them (around 80) use 0.5 L bottle. As this research is done mainly with people age 18-25 years, I think that the fact that most of them use 0.5 L bottle is affected by their age, because the question regarding brand usage shows that most of them (around 65) drink Uje Rugove walking out or at a coffee bar. Regarding usage frequency 68 % of participants use Uje Rugove at least once a day.

#### 5.2.4. Perceived quality/ Leadership

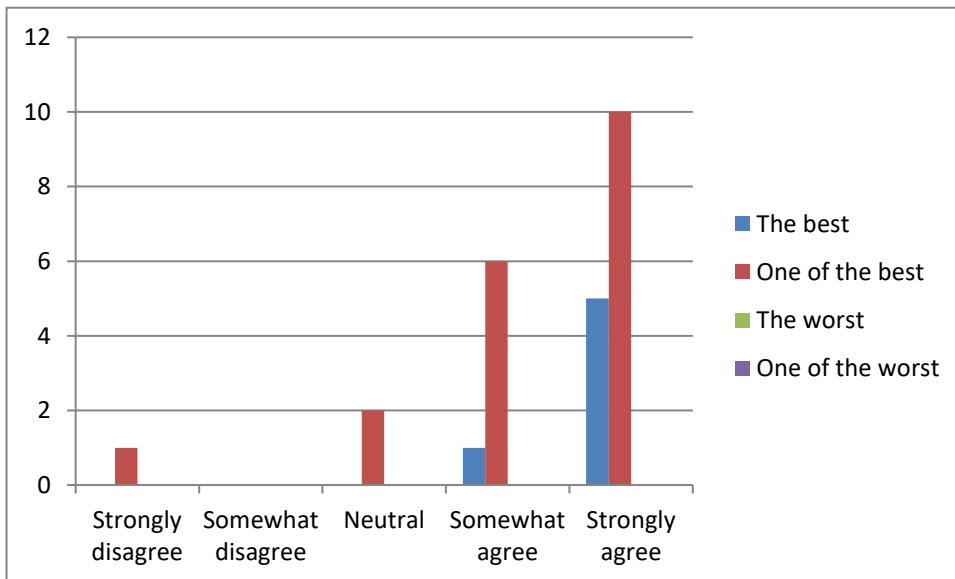
	Strongly disagree	Somewhat disagree	Neutral	Somewhat agree	Strongly agree	Missing Cases
10)Very high quality	4%		8%	28%	60%	
11)Consistently high quality		4%	8%	28%	40%	20%
12) Growing in popularity		8%	12%	36%	44%	
13)A leading brand in the category		12%	8%	20%	60%	
14) Hold Uje Rugove in high		12%	20%	24%	40%	4%

esteem						
15) Highly respect Uje Rugove		4%	24%	8%	60%	4%
	The best	One of the best	The worst	One of the worst		
16)Uje Rugove is :	24%	76%				

Perceived quality is one of the key dimensions of brand equity. From different studies using statistical models show that perceived quality affects Return on Investment (ROI) and stock return more than market share, marketing expenditure and Research and Development (Aaker D.1996). Also this brand equity dimension is a source of brand identity, especially regarding functional benefits.

**Table 6.Perceived quality findings**

Based on the table above, Uje Rugove stands quiet well in the dimension of quality and leadership. 88% percent of participants somewhat agree or strongly agree that Uje Rugove has very high quality, from them 60 % strongly agree. Also 80 % of participants believe that Uje Rugove is growing in popularity and also it is a leading brand in the category, while only 8 % slightly disagree, 12% are neutral. Approximately 65% of participants respect Uje Rugove and hold it in high esteem. The final question of this dimension of brand equity somehow needs a more direct statement of the opinion regarding quality or excellence of the brand. Even though that in other questions of quality dimension approximately 60 % of participants strongly agree with the positive statements, only 24 % of participants think that Uje Rugove is the best, while 76 % think that is one of the best.



**Figure 10.Quality vs. Evaluation**

In order to find the relationship between question 10 and 16, I found that 83 % of persons who strongly agree that Uje Rugove has very high quality, also think that is the



best brand in category, while 52 % of them think that Uje Rugove is one of the best. Same as prior studies in the correlation between quality and general evaluation of the brand, these finding shows that quality has a very high influence in the general evaluation.

### 5.2.5. Association/ Differentiation

Brand equity is in great part supported by the association that consumers make with a brand (Aaker D. 1996). Brand associations are much related with brand identity-what organization wants the brand to stands for. This section will measure four association of the brand: perceived value, personality, organization and differentiation.

#### 5.2.5.1. Perceived Value

Perceived value reflects the dimension of brand identity which indicates whether brand has achieved to create a successful functional benefit. Even though this dimension is related with perceived quality, value is more important in certain product categories like: low price products, products when functional benefit is very important and products under attack from product label. Because Uje Rugove is a low price product this dimension of brand equity is very important.

**Table 7. Perceived value findings**

	Strongly disagree	Somewhat disagree	Neutral	Somewhat agree	Strongly agree	Missing Cases
17)The brand is good value for the money	4%		12%	36%	48%	
18)There is a reason to buy this brand over others	4%	12%	8%	32%	44%	

As we can see from the table above, Uje Rugove stands quit well in this important category, when 84 % of the participants think that this brand in good value for the money, and 76 % think that there is a reason to buy this brand over others. In continuity with these questions regarding functional benefits I asked participant what functional benefit this brand offers:

	Freshness	Purity	Safety	Quality	other
19) What functional benefits does this product offer?	12%	16%	12%	72%	

**Table 8. Functional benefits**

This is an interesting and positive finding, because most of the participants think that quality is the most important functional benefit of this product, at the same time this is what company thinks that this brand stands for.

### 5.2.5.2. Brand Personality

Brand personality is very important especially in products like Uje Rugove, which competes in a product category with slightly minor physical differences and is consumed in social setting. Brand personality can serve as a source of differentiation and brand's emotional and self-expressive benefits as well as a base for brand customer relationship (Aaker D. 1996).

	Strongly disagree	Somewhat disagree	Neutral	Somewhat agree	Strongly agree	Missing Cases
19 Uje Rugove has a personality		8%	16%	32%	44%	
20) Uje Rugove is interesting	4%	8%	36%	40%	12%	
21) I have a clear image of type of person who would use Uje Rugove	8%	8%	32%	40%	12%	
22) Uje Rugove has a reach history		20%	36%	28%	16%	

**Table 9. Uje Rugove personality**

Around 80 % of participants agree that Uje Rugove has a personality, but only 12% strongly agree, while 48 % are neutral or disagree. Participants do not have a visual imagery regarding a typical person who uses the brand and as it is expected they somehow do not think that Uje Rugove has a history because the brand has only 5 years on the market.

Beyond the direct question whether the brand has a personality, by using Big Five Personality Scale I asked participant to describe Uje Rugove personality which mostly is described in words: *All-Kosovar, Original, Trendy, Family-oriented, Athletic, Trustworthy, Cool and Leader*. The most used word to describe Uje Rugove is All-Kosovar, which is a powerful source of differentiation competing with other spring water brand in Kosovo. Uje Rugove used very smartly the place when it comes in his name in order to differentiate him self and create a brand identity emotional benefit.

### 5.2.5.3 Organization

Another source of brand identity which can be used as a differentiation is brand's organization.

	Strongly disagree	Somewhat disagree	Neutral	Somewhat agree	Strongly agree	Missing Cases
23) This is a brand I would	4%		16%	24%	52%	4%

<b>trust</b>						
<b>24)I admire the brand Uje Rugove organization</b>	4%		32%	56%	8%	
<b>25)I would be proud to do business with the brand Uje Rugove organization</b>	4%	4%	24%	32%	36%	

**Table 10.Uje Rugove organization findings**

The answer whether participants trust the brand confirms that brand is Trustworthy. While organization of Uje Rugove, does not seem as a very strong source for brand identity.

#### **5.2.5.4. Differentiation**

Beyond the above measures of differentiation, a single measure which can give a general opinion about the brand may be used. Brands that are perceived as different can support a price premium and an attractive margin (Aaker D. 1996).

	<b>Strongly disagree</b>	<b>Somewhat disagree</b>	<b>Neutral</b>	<b>Somewhat agree</b>	<b>Strongly agree</b>	<b>Missing Cases</b>
<b>26)This brand is different from other brands</b>		8%	12%	48%	32%	
<b>27)This brand is basically the same as other brands</b>	24%	64%		8%		4%

**Table 11.Differentiation findings**

As a product competing in a category which is hard to create differentiation, 80 % percent of participants somewhat or strongly agrees that Uje Rugove is different, this is a very strong competing point for this brand. As 82 % of participants who agree that Uje Rugove has a personality, also believe that this brand is different shows that brand in large part is perceived this way because of personality.

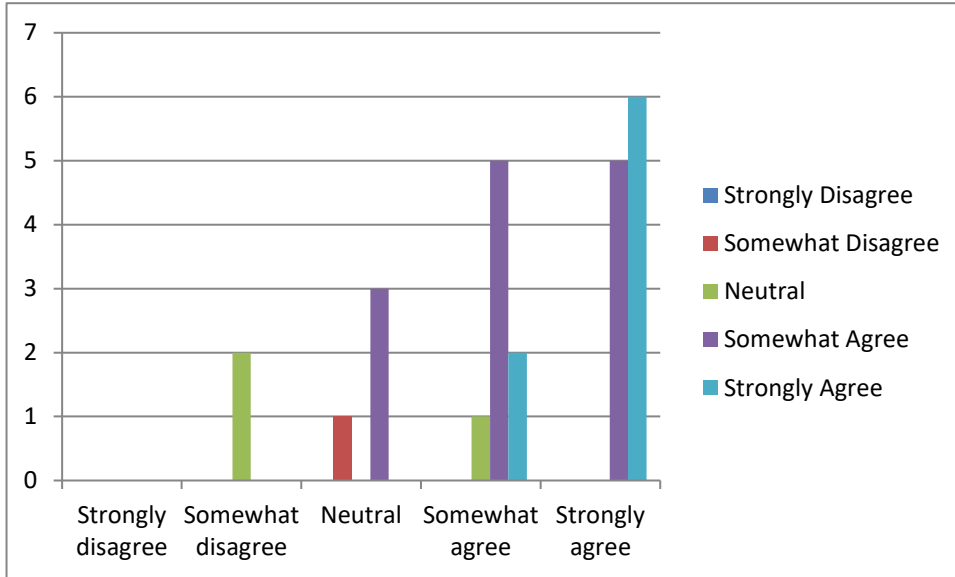


Figure 11.X-axis= Question 22 VS. Y-axis= Question 29

### 5.2.6. Satisfaction/Loyalty (among those who have used the brand)

Even though brand loyalty very often is not included when measuring brand equity, Brand Equity Ten created by Aaker includes this measure by arguing that firms and brand value is largely created by his loyal customers and firms based on these customers create loyalty based programs which enhance brand equity.

	Very dissatisfied	Somewhat dissatisfied	Neutral	Somewhat satisfied	Very Satisfied
28)Considering my recent use experience of Uje Rugove, I would say I was:	4%		4%	30%	60%
	The only	One of two	One of the three	One of more than three	
29) Among the water brands which you buy Uje Rugove is :	28%	52%	12%	8%	
	Yes	No	Missing		
30) Would you buy the brand on the next opportunity?	80%	16%	4%		
31) Would you recommend this product or service to others?	96%	4%			

Table 12.Satisfaction findings

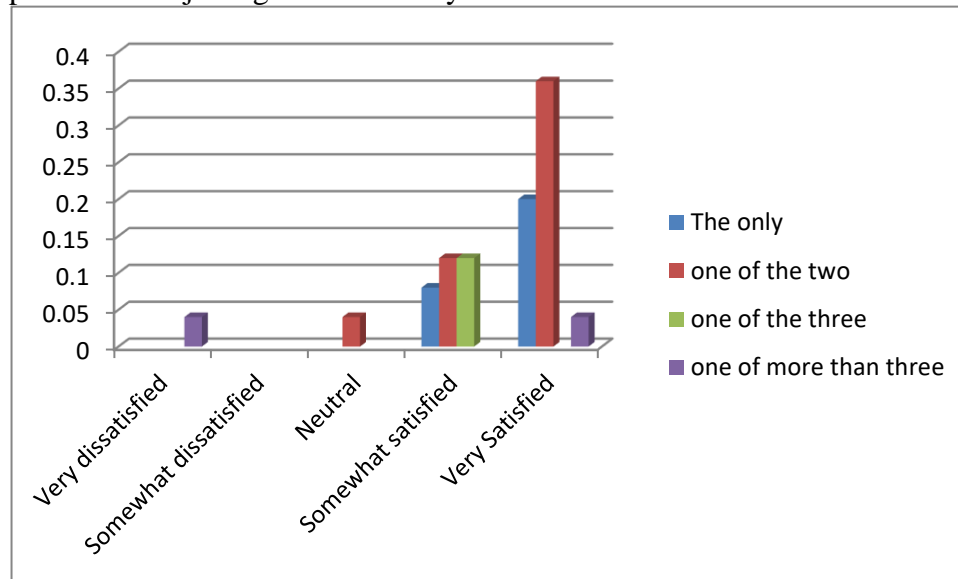
As seen from the table, Uje Rugove has very good level of customer satisfaction 90 % of them are somewhat or very satisfied with the product, but most of them or 52% choose Uje Rugove as one of the two spring water that they use. While for 28 % of them

Uje Rugove is the only spring water, I looked whether there is a relation between level of satisfaction and number of spring water brands that participants use.

	Very dissatisfied	Somewhat dissatisfied	Neutral	Somewhat satisfied	Very Satisfied
<b>The only</b>				8.00%	20.00%
<b>One of the two</b>			4.00%	12.00%	36.00%
<b>One of the three</b>				12.00%	
<b>One of more than three</b>	4.00%				4.00%

**Table 13.Satisfaction and evaluation**

When analyzing the relation between level of satisfaction and number of water brands used, an interesting finding among those who are very satisfied with the product (60 %/100%) is that 60% of them use Uje Rugove as one of two brands, while only 33 % percent use Uje Rugove as the only brand.



**Figure 12.Satisfaction and evaluation**

### 5.2.7. Price Premium

*Price premium* is the amount of money that consumer is able to pay for a product over other in the same product category. Among all ten measures of brand equity, price premium is the most interesting for company, because it summarizes all of them and directly affects profit and financial wellness of company. The following table shows whether customers are able to pay more for Uje Rugove comparing with competing brands. The competing brands are chosen based on the suggestions of the company and they are domestic brands.

	3 cent	5 cent	7 cent	10 cent
32) For 0.5 L bottle of spring water. How much more you will be able to pay for Uje Rugove over Don Aqua?	16%	52%		32%
	Uje Rugove	Bonita	Don Aqua	
33) Would you prefer a Don Aqua at price 20 cent, an Bonita at price 25 cent, or an Uje Rugove at price 30 ?	60%	8%	32%	
	Uje Rugove	Don Aqua		
34) For 0.5 L bottle of Uje Rugove with a price 0.25 cent would you prefer a Uje Rugove or Don aqua?	100%			

**Table 14. Price premium findings**

By comparing Uje Rugove with Don Aqua as one of the direct competitors of Uje Rugove, not depending from any absolute value of price, 52 % of participants say that they would pay 5 cents more and 32 % of them would pay 10 cents. While when asking whether they would choose a Don Aqua or Uje Rugove for 25 cents , Uje Rugove has an absolute advantage with 100% choosing Uje Rugove over the competing brand. Comparing with other questions and brand equity dimensions, this is the clearest answer that shows in a very convincing way that Uje Rugove is quite a strong brand.

### 5.2.8. Brand Extension

Recently Uje Rugove organization decided to launch a new cheese product on the market named “Djath Rugove”. The product is a brand extension because firm is using an established (Uje Rugove) brand to introduce a new product (Djath Rugove) in the market. In this case Uje Rugove is considered a parent brand because is giving birth to another product which enters a new product category.

Kotler P. and Keller K. 2006 accented that the most important consideration when using brand extension is the “fit” in the mind of consumers, which mean that consumer must see a base for extension common physical attribute, usage situation, or user types. There are advantages and disadvantages when using a brand extension. Brand extension can help the parent brand and vice versa to increase brand equity, while one of major risks is if consumers do not make connection between products and can not relate a certain brand with a specific product. In order to understand more about effects that brand extension could cause to the product extended itself and parent brand Uje Rugove, I asked them the following question:

	Strongly disagree	Somewhat disagree	Neutral	Somewhat agree	Strongly agree
35) I think that producing water and cheese fits very			60%	20%	20%

well with this company					
------------------------	--	--	--	--	--

### Table 16.Brand extension findings

As we can see from the table consumers are not persuaded that these two products fit very well with each other. 60 % or major of respondents answered that they are neutral whether they see a “fit” in producing water and cheese. The extended product does not seem that is going to damage the parent brand, but there are not strong indications that parent brand is going to increase brand equity of extended brand.

## 6. CONCLUSIONS

*This chapter gives final conclusions regarding this research, by answering two questions which have been made in the first chapter.*

### **6.1. RQ 1: Can a low involvement product create brand equity from customer-perspective?**

In order to answer first research question, I have used Brand Equity Ten model from author David Aaker, which he developed to measure brand equity across products and markets.

Based on the findings conducted with the spring water Uje Rugove's users, which product is used as a sample to generalize among product categories with low involvement of customers, I can answer the question first with a positive confirmation that it is possible to create brand equity even if the product has low involvement of customers and is difficult to be differentiated regarding its functional benefits. Here are summarized findings that support this answer:

1. Brand awareness: Brand has gained a very strong awareness (100 %) and familiarity (88%). There are findings that from prior different studies that brand awareness affect judgment regarding quality of the product.
2. Perceived quality: 88 % of the participant agree or somewhat agree that Uje Rugove has very high quality, 80 % believe that this is a leading brand in his product category, while 76 % state this one of the best spring water in market.
3. Association/Differentiation: 80% of the customers believe that brand is different from others. 76 % agree that product has a personality, while when asking to describe Uje Rugove personality there are convincing answers that brand has created a personality which is strongly connected with the following traits:

*All-Kosovar, Original, Trendy, Family-oriented, Athletic, Trustworthy, Cool and Leader.*

4. Satisfaction/Loyalty: 90 % of the users are very or somehow satisfied with the product, which is one of the important factors why 80 % of customers use the product as their first or second choice of bottled water
5. Price premium: 60 % of participant will use the brand with a price which is the highest comparing with other domestic brands, while the most convincing figure that a low involvement product can create brand equity competing with other



brands is that 100% chose Uje Rugove as the brand which they would buy if the with the same price it is sold Don Aqua.

## 6.2. RQ2. How can products with same functional benefits create distinct brand identity?

To answer the second question, beside interviews with customer and prospects, I have made an interview with the company.

Based on the interview with the company's manager states that at the heart of this product or "core identity" is quality which association largely comes from its place of origin Rugova's mountains, which is the name of the product at the same time "Uje Rugove". This association as a consequence gave product a domestic or patriotic dimension by perceiving the brand as "All-Kosovar".

As an extended identity of this product is his brand personality which is described as:

*All Kosovar, Original, Trendy, Family-oriented, Athletic, Trustworthy, Cool and Leader.*

### UJE RUGOVE

<b>Core Identity</b>
<i>Quality: Free-flowing spring water, pure naturally</i>
<i>Place of origin: Rugova's Mountain</i>
<b>Extended Identity:</b>
<i>Brand Personality: All Kosovar, Original, Trendy, Family-oriented, Athletic, Trustworthy, Cool and Leader.</i>

**Figure 13. Uje Rugov identity.**

Comparing this results with theory of David Aaker, as mentioned in literature review he states that: brand identity can be build around twelve dimensions organized around four perspectives-

- 1) the brand as product (product scope, quality/value, product attributes, uses, users, country of origin),
- 2) brand as organization( organizational attributes, local versus global),
- 3) brand-as-person (brand personality, brand costumer relationship), and
- 4) Brand as a symbol (visual imagery/metaphors and brand heritage).

As he states that company doest not need to employee all this dimensions in order to build brand identity, sometime just one is enough. This is exactly what Uje Rugove

did, they built their distinct brand using product's place of origin, which in turn affected in a positive way all other dimensions of brand equity.

## 7. RECOMMENDATIONS AND FUTURE WORKS

*This chapter provides suggestion and recommendations for theory, company and future research. Beyond the recommendations here are mentioned some of the limitation of this research, which may overcome in the future researches.*

### 7.1. Implications for Theory

The main topic of this research was to find more and understand the relationship between low-involvement products and brand equity. Regarding the first question of this research whether a low involvement product can create brand equity, theory does not offer direct and deep answers. According to Keller K.L and Lehman D.(2008), brand equity arises when it is seen as distinctive in a positive and important ways in the minds of customers, so the brand can be thought as a promise to the customers, and it's association has important implication what brand can and can not do. Authors do not give much information whether on which levels product must be differentiated: emotional or functional. Also, there is not clear if a product can differentiate itself only by using sources beyond functional benefits.

When talking about brand identity David Aaker (1996), gives different options how to differentiate the product. One way is to build brand identity based on four perspectives: the brand as product, brand as organization, brand as person and brand symbol. The author gives explanation that brand can create a brand identity, even with a single source of brand identity, but does not give any further explanation regarding level of product involvement, functional benefits differentiation and brand identity.

According to Aaker D. (1996) brand personality which is part of brand identity can create brand equity in three ways: self expression model, relationship basis model, and functional benefit representation model. **The self expression model** assumes that for a group of people, the brand itself is a mean to express part of their self-identity, where self-identity could be actual him or idealized. **The relationship basis** model suggests that some people for example may never want to be a leader, but they would like to have a relationship with one, and based on their preferences they would connect or buy different brand with different personalities. And the last **model functional benefit model** suggests that brand personality can serve as a vehicle for representing functional benefits and attributes.

To summarize, because existing brand equity models do not make difference between product's level of involvement and brand equity, in the future specific brand equity models can be built by giving more explanations regarding low involvement products and brand equity building.

## 7.2. Implications for company

This research leads to many implications for company, because more than anything else in this company branding seems to be very important, as the functional benefits of the product are not a stable source of brand equity and identity. I think that based on the theoretical and practical findings, the company should give branding issue high importance, by constituting a marketing department which will maintain and develop the brand equity and identity. Other recommendations for company are:

- 1) Brand have a stable and strong core identity, but company should find other sources in order to build a more complex brand identity
- 2) Beyond its core identity which is very strongly exposed, company may use its brand personality to make the product more attractive.
- 3) Increasing budget in marketing which will track, maintain and develop the brand may lead to increased profit, beyond investment in other departments.
- 4) Company must find ways to increase “the fit” perception between the parent brand “Uje Rugove” and extended one “Djath Rugove”, because this significantly affects extended brand success, and also may protect from damaging the parent brand from the extended one.

## 7.3. Recommendations for Future Researches

During this research I have gained a deeper understanding regarding brand equity in low involvement products, I argue that the findings support very strongly that low involvement products can create brand equity and a distinct brand identity. But, I also consider that this research had some limitations, which if in the future may be overcome can provide a clearer mirror in order to analyze deeply certain brand equity dimensions, also the correlation between different finding can be analyzed with more convincing figures. The following aspects can be improved:

- 1) Regarding customers a bigger sampling can be used more dispersed demographically especially in terms of age, income and marital status.
- 2) Regarding companies, a future research with more than one company can bring deeper understandings and facts
- 3) A research with a different low involvement product categories from natural water can bring results which may be compared
- 4) A future research when low involvement and high involvement brand will be analyzed can offer a new angle of understanding the brand equity issue.

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## **9. APPENDIXES**

### **9.1 Uje Rugove**

As one of our essential ingredients, water is fundamental for our well-being. Our body consists of up to 70 % water. Our brain, skin, muscles and bones all need water. Our entire body metabolism is related to water. It regulates our body temperature, it transports nutrients and it removes dismantling substances. Humans can live several weeks without food, but can live only few days without water.

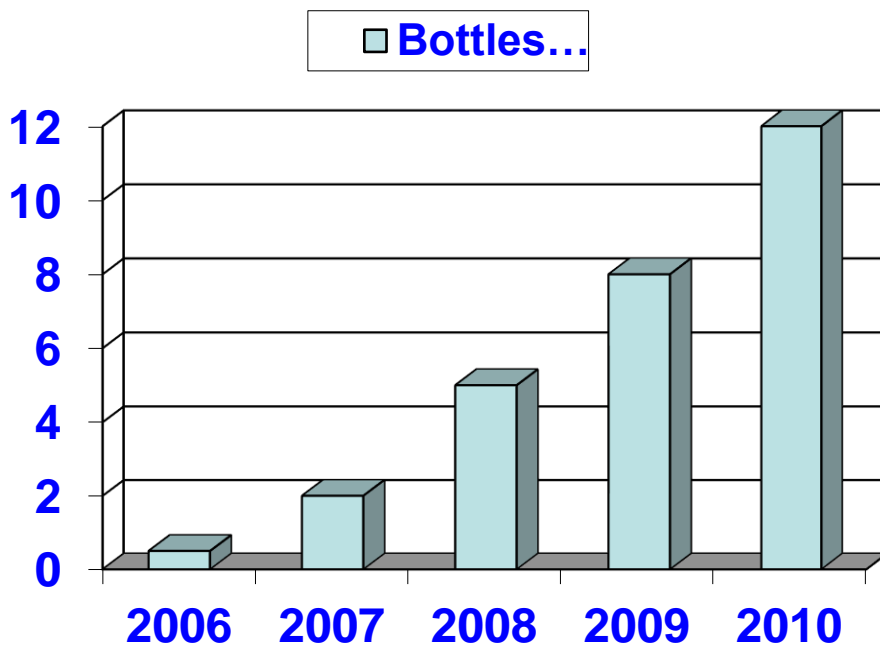
By using these basics information of primary human needs, a person in Kosovo had a wonderful idea to transform the spring water of Rugova's mountain in successful business ideas.

#### **9.1.1. The history of the company**

UNIOR ACQUA was jointly established in November 2006, by a Slovenian company named "UNIOR" as a major shareholder, and a Kosovar minor private shareholder Visar Kelmendi. The unique quality and taste of the spring water flowing out of the Rugova's Mountains was the key factor for establishment of a new plant for bottled water in Drelaj. Initially only 0.5 L and 1.5 L PET bottles were launched into the Kosovar market under the brand name Uje Rugove, followed by a new glass bottle of 0.5 L and 0.75 L. In 2008 UNIOR ACQUA received the quality certification ISO 22000 for the Quality Management System.

Despite its healthy growth due to strong economic downturn UNIOR the Slovenian company decides to sell their majority shares of UNIOR ACQUA to a private investor of Kosovo. By the end of 2009 the company changes name from UNIOR ACQUA to UJE RUGOVE and today this company is proudly owned by 100% Kosovar investors.





**Figure 8. Uje Rugove number of bottles sold**

### 9.1.2. The Bottling Plant

The bottling plant UJE RUGOVE is situated in the immediate vicinity of the natural water source at Drelaj in the Rugova Valley. The process of bottling and packing is achieved on an area of 1000 m<sup>2</sup>.

The spring water is directly filled into bottles without any additional neither chemical nor biological processes. The bottling plant of UJE RUGOVE operates in compliance with the Quality Management System ISO 22000.

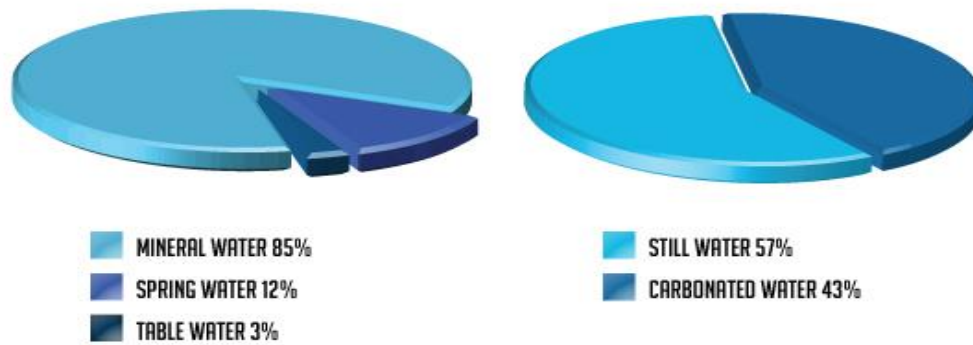
UJE RUGOVE is bottled in PET (0.5l, 1.5l and 6l) and in glass (0.25l and 0,75l)

### 9.1.3. Bottled Water

Bottled waters provide consumer with a great variety of taste and composition. There are three legally recognized categories of bottled waters:

- Natural Mineral Water
- Spring Water
- Bottled Drinking Water

In Europe, packaged water sales account for 44 % of the market of non-alcoholic drinks in volume. In value, however, they represent 32% of the market, the average price for a bottle of water being lower than that of most other categories of non-alcoholic drinks.



SOURCE : CANADIAN

**Figure 9.Total sales volume (2008): brought down per category of water**

#### **9.1.4. Natural Spring Water : UJE RUGOVE**

Based on laboratory analysis the source of bottled water « Uje Rugove » is defined by Slovenian authorities as a Spring Water.

Definition of Spring Water :

*Like natural mineral water, spring water must also come from a specified underground source (via a spring or borehole) and be microbiologically safe at source without disinfection. It must be bottled at source in bottles fitted with a tamper-evident seal. The label must state the origin and source name*

*The main differences to natural mineral waters are that a stable mineral balance is not a requirement (although often the case in practice), and chemical composition need not be stated on the label (although many producers choose to). Also, for chemical parameters, spring water must meet conventional drinking water standards. There is no formal recognition process for spring waters but quality monitoring and protection must be maintained. (European Federation of Bottled Water)*

## **9.2. QUESTIONNAIRES**

### **9.2.1. Company questionnaire**



## Covering Letter

Dear Sir or Madam:

Thank you for agreeing to participate in my research study. The questionnaire is part of my bachelor thesis work and your cooperation is essential in order to finish my thesis successfully.

The enclosed survey broadly focuses on the issue of branding. Most of the questions are regarding brand building, brand identity, brand positions regarding the Uje Rugove spring water. Upon the completion of my research, you will receive a report around 30 pages long which will contain findings from 30 customers of Uje Rugove brand.

The survey will take around 30 minutes to complete and will be conducted in the presence of me, while I will gather notes to be used in the analysis. I am sensitive to the time pressure upon the interviewee and will schedule a time that is convenient to the interviewee.

All responses (age, income, education) will be treated with the utmost confidentiality.

Thank you!

Berat Thaqi

Marketing major at UBT

## 1. Questions regarding building brand equity

There are many difficulties in order to build or maintain strong brands. The following problems are the most common according the different authors. Please answer the following questions according to your brand building experience.

1=strongly disagree    2=somewhat disagree    3=neutral

4=somewhat agree    5=strongly agree

- 1) Price competition is problem for you in maintaining your brand.....1 2 3  
4 5
- 2) Your market is being more segmented and narrow.....1  
2 3 4 5
- 3) You have problems in coordinating marketing strategies across media....1 2 3 4  
5
- 4) You have problem in coordinating different brands, products or services....1 2 3  
4 5
- 5) Short-term pressure to achieve quarterly profit target, might damage your brand performance on the long –term.....1 2 3 4 5
- 6) .Do you consider investment in brand as a cost or investment?  
*Investment*
- 7) How important is brand maintenance in your company.....1 2 3 4 5
- 8) Do you have a written plan regarding brand development? .....Yes No
- 9) WRITTEN OR **VERBAL**.
- 10) Do you have marketing department ?.....No
- 11) Have you ever had a contract with any consulting marketing and branding agency?  
*Yes, we had with Zero Positive Publicist Kosovo.*
- 12) Have you ever exported, if yes what is the percentage of turnover from export?  
*Yes. During 2008 the percentage was 3-4 %, while in 2009 percentage was 10 %*

13) Do you have a budget for marketing purposes?

*No. Only for distribution.*

## 2. Brand Identity

I. What functional benefits does the product offer?

- a) Refresh   b) Clean or pure   c) safety because is inspected by sanitary inspection  
d) quality of a natural water   d) other \_\_ \_\_\_\_\_

II. Does this product speak something about your customer?

Yes

No

### 2.1 Brand personality

**Brand Personality** is the description of your brand as if it were a person. How would you describe your brand using keyword descriptors, as if it were a human personality? (Please list at least 10 keywords.)

#### *Sincerity*

**Down-to-earth:** family-oriented, small-town, conventional, blue-collar, all Albanian

**Honest:** sincere, real, ethical, thoughtful, caring

**Wholesome:** original, genuine, ageless, classic, old-fashioned,

**Cheerful:** sentimental, warm, friendly, happy

#### *Excitement*

**During:** trendy, exciting, off-beat, flashy, provocative,

**Spirited:** cool, young, lively, outgoing, adventurous,

**Imaginative:** unique, humorous, surprising, artistic, fun

**Up-to-date:** independent, contemporary, innovative, aggressive

#### *Competence*

**Reliable:** hardworking, secure, efficient, trustworthy, careful

**Intelligent:** technical, corporate, serious

**Successful:** leader, confident, influential

### *Sophistication*

**Upper class:** glamorous, good-looking, pretentious, sophisticated,

**Charming:** feminine, smooth, sex, gentle

### *Ruggedness*

**Outdoorsy:** masculine, western, active, athletic,

**Tough:** rugged, strong, no-nonsense

## 3. Brand audit

- 1) What are the financial, planning and development goals for this year?

*The company plans to sell 12 million bottles in total , comparing with 2009 the growth rate is planned to be 30-40 %, at the same time company is going to launch a brand extended prouct Cheese Rugove.*

- 2) Do you have someone in your company that cares about your brand?.....Yes  
No
- 3) If yes, what is the background of this person (education and experience)?
- 4) What makes it different?
  - a) Quality
  - b) price
  - c) bottle design
  - d) place of origin
  - e) users
  - f) brand personality
  - g) other\_\_\_\_\_

### *3.1 Internal Branding*

- 1) There is e clear and shared vision with employees what the brand stands for .....1 2 3 4 5
- 2) There is uncertainty as to what this brand stands for.....1 2 3 4 5
- 3) Employees feel an emotional commitment to the brand identity.....1 2 3 4 5

*Because manufacturing department is located in Rugov and the name of the product is the same, this department has an emotional connection with the brand. While sale department, does not have any commitment at all.*

## 4. Customer's Profile

- 1) In order to understand better the target market and audience of your brand please describe a typical customer of Uje Rugove based on the following criteria.

- Core values and benefits
- Personal and professional goals
- General fears and concerns
- Leisure activity
- Work activity
- General lifestyle description
- Age
- Attitudes and practice investing

Focus: Family

Positioning : Caffè

5. Are you aware of any problems customers encounter when they use your product?
6. Do you know why customers chose your brand over others?

***Product scarcity in the market during summer, because of limitation in production capacities.***

7. Do you know which kinds of customers are the most valuable to your company?

***The most valuable customers regarding revenues and profit are user who use Uje Rugove for familiar needs, while regarding exposure and publicity bars and restaurant work as an “free advertising agent”, when people drink our spring water they are making a strong publicity for us.***

8. How do you receive input from customers on the company’s products, staff or other Issues concerning your relationship with customers?

***The only sources of input at this very moment are personal contacts of management and employees.***

### ***3.2 Competition Profile***

1. Have you identified your brand’s primary competitors? If yes, please list them below.

Rosa, Dea, Panna

2. Have you conducted a careful analysis of each of your product’ strengths, Weaknesses, opportunities and threats?

Uje Rugove strength: QUALITY, TRANSPARANCE, NAME,

Weakness: lack of experience in distribution, lack of CASH for marketing purpose

3. Do you know where your competitors are most vulnerable? If yes, please explain.

Quality is our strength, and we consider that this the most vulnerable part of our direct competitors.

4. Do you know how loyal your customers are and why?

*We assume that we have very loyal customer, and the reason is because of the consistency in quality.*

5. Does someone in your organization track competitor news on a regular basis?  
*Our sales agents gives us a lot of information from terrain regarding our competitors.*

6. Do you offer any key benefits that your competitors do not?  
*Basically the entire water brands offer the same benefit quenching thirst, but our product differs in certain characteristics that go beyond the functional benefits.*

7. Does your brand promise to fulfill an unmet customer need that is not being served? by the competition?  
 Basically NOT.

## 5. Marketing communication

Which of the following marketing communication channels you have been using to create brand equity? Can you explain more?

Advertising	Sales Promotion	Events/Experiences	Public Relations	Personal Selling	Direct Marketing
Print and broadcast ads	Contests, games, sweepstakes, lotteries	Sports	Press kits	Sales presentations	Catalogs
Packaging—outer		Entertainment	Speeches	Sales meetings	Mailings
Packaging inserts	Premiums and gifts	Festivals	Seminars	Incentive programs	Telemarketing
Motion pictures	Sampling	Arts	Annual reports	Samples	Electronic shopping
Brochures and booklets	Fairs and trade shows	Causes	Charitable donations	Fairs and trade shows	TV shopping
Posters and leaflets	Exhibits	Factory tours	Publications		Fax mail
Directories	Demonstrations	Company museums	Community relations		E-mail
Reprints of ads	Coupons	Street activities	Lobbying		Voice mail
Billboards	Rebates		Identity media		
Display signs	Low-interest financing		Company magazine		
Point-of-purchase displays	Entertainment				
Audiovisual material	Trade-in allowances				
Symbols and logos	Continuity programs				
Videotapes	Tie-ins				

Brochure, rebates, inviting people to our manufacturing point, sponsorships: sportive, music festivals, films, press kits.

Publications: one of the 5 top product mentioned in EU, TV AD.



### 9.2.2. Customer's questionnaires



#### Covering Letter

Dear Sir or Madam:

Thank you for agreeing to participate in my research study.

The enclosed survey broadly focuses on the issue of brand equity and loyalty regarding the Uje Rugove spring water. The questionnaire is part of my bachelor thesis work and your cooperation is essential in order to finish my thesis successfully.

You are one of the thirty Uje Rugove potential customers which I have chosen to interview.

The survey will take no longer than 15 minutes to complete and will be conducted in the presence of me, while I will gather notes to be used in the analysis or I will send it to your email and you send me back the questionnaire filled with your answers. I am sensitive to the time pressure upon the interviewee and will schedule a time that is convenient to the interviewee.

All responses (age, income, education) will be treated with the utmost confidentiality.

Thank you!

Berat Thaqi

Marketing major at UBT

## Questionnaire

### 2. Awareness

#### 2.1 Brand Awareness

Brand awareness is defined as the strength of a brand's presence in consumers mind. The following questions direct this category of brand equity.

1) Please name some of the brands of spring water in Kosovo which you can remember (Below)		
2) Have you heard of Uje Rugove?	Yes	No
3) Are you familiar with Uje Rugove?	Yes	No
4) Do you have an opinion for Uje Rugove?	Yes	No

### 1. General questions regarding brand usage

- 1) Are you an Uje Rugove user:            Yes    No
- 2) If yes, which is the size of the bottle you mainly use :  
a) 0.5 L    b) 1.5 L    C) 5 L
- 3) If no, why do you not use Uje Rugove because :  
a) of quality    b) it is expensive    C) you don't use bottled water    d) you use another bottled water brand    e) other reason ( please mention) \_\_\_\_\_
- 4) In which situations you mostly use Uje Rugove: (more than one answer possible)  
a) At home    b) walking out    c) at a coffee bar or restaurant    d) party    e) other situation ( please mention) \_\_\_\_\_
- 5) How often do you drink Uje Rugove :  
a) More than once a day    b) once a day    c) once a week    d) occasionally

### 3. Perceived quality/Leadership

#### 3.1 Perceived quality

Perceived quality is a brand association that is elevated to the status of a brand asset. Please answer the following question regarding this issue.

**In comparison with alternative brands, Uje Rugove is:**

	Strongly disagree	Somewhat disagree	Neutral	Somewhat agree	Strongly agree
<b>1)Very high quality</b>					
<b>2)Consistently high quality</b>					
<b>3) Growing in popularity</b>					
<b>4)A leading brand in the category</b>					
<b>5) Hold Uje Rugove in high esteem</b>					
<b>6) Highly respect Uje Rugove</b>					
	The best	One of the best	The worst	One of the worst	
<b>3)Uje Rugove is :</b>					

#### **4. Association/ Differentiation**

Central to the brand association is brand identity- how organization creates the image of the product in customer's minds. Please answer the following question in order to understand the brand identity of Uje Rugove.

##### **4.1 Brand Identity**

III. What functional benefits does the product offer?

- b) Refresh
- b) Clean or pure
- c) safety because is inspected by sanitary inspection
- d) quality of a natural water
- d) other \_\_\_\_\_

IV. How do you feel when you buy or drink Uje Rugove ?( more than one answer possible)

- a) You feel healthy because water is natural
- b) You feel sportive because it does not make you fat in comparison with gassed drinks
- c) Patriot because you are using a domestic product from Rugova's mountains
- d) Other (please mention)\_\_\_\_\_

V. Does this product speak something for you?

Yes No

## 4.2 Perceived Value

	Strongly disagree	Somewhat disagree	Neutral	Somewhat agree	Strongly agree
1) The brand is good value for the money					
2) There is a reason to buy this brand over others					

## 4.3 Personality

**Brand Personality** is the description of a brand as if it were a person. Please answer the following questions in order to understand Uje Rugove personality.

	Strongly disagree	Somewhat disagree	Neutral	Somewhat agree	Strongly agree
1) Uje Rugove has a personality					
2) Uje Rugove is interesting					
3) I have a clear image of type of person who would use Uje Rugove					
4) Uje Rugove has a reach history					

The following list of traits of personality is developed to describe a brand. It has 5 categories: **Sincerity, Excitement, Competence, Sophistication, and Ruggedness**. Each category contains words that might describe brand Uje Rugove. Please describe the brand with any of these words maximum 10 at least 5. Words can be chosen from more than one category.

<i>Sincerity</i>	<i>Excitement</i>
<b>Down-to-earth:</b> family-oriented, small-town, conventional, blue-collar, all Kosovar	<b>During:</b> trendy, exciting, off-beat, flashy, provocative
<b>Honest:</b> sincere, real, ethical, thoughtful, caring	<b>Spirited:</b> cool, young, lively, outgoing, adventurous,
<b>Wholesome:</b> original, genuine, ageless, classic, old-fashioned	<b>Imaginative:</b> unique, humorous, surprising, artistic, fun
<b>Cheerful:</b> sentimental, warm, friendly, happy	<b>Up-to-date:</b> independent, contemporary, innovative, aggressive
<i>Competence</i>	<i>Sophistication</i>
<b>Reliable:</b> hardworking, secure, efficient, trustworthy, careful	<b>Upper class:</b> glamorous, good-looking, pretentious, sophisticated
<b>Intelligent:</b> technical, corporate, serious	<b>Charming:</b> feminine, smooth, sex, gentle

<b>Successful:</b> leader, confident, influential	
<i>Ruggedness</i>	
<b>Outdoorsy:</b> masculine, western, active, athletic	
<b>Tough:</b> rugged, strong, no-nonsense	

#### 4.4 Organization

	Strongly disagree	Somewhat disagree	Neutral	Somewhat agree	Strongly agree
<b>1) This is a brand I would trust</b>					
<b>2) I admire the brand Uje Rugove organization</b>					
<b>3) I would be proud to do business with the brand Uje Rugove organization</b>					

#### 4.5 Differentiation

	Strongly disagree	Somewhat disagree	Neutral	Somewhat agree	Strongly agree
<b>1) This brand is different from other beverage brands</b>					
<b>2) This brand is basically the same as other beverage brands</b>					

### 5. Loyalty Measure

Brand loyalty affects brand value because of the strong base of consumers, and based on loyalty companies create loyalty programs which help enhancing brand equity.

#### 5.1. Satisfaction/ Loyalty (among those who have used a brand)

Customer satisfaction is very important for a company, because it will keep customer loyal toward the brand. Please answer the following questions.

	Very dissatisfied	Somewhat dissatisfied	Neutral	Somewhat satisfied	Very Satisfied
<b>1) Considering my recent use experience of Uje Rugove, I would say I was:</b>					
	The only	One of two	One of three	One of more than three	
<b>2) Among the water brands</b>					

which you buy Uje Rugove is :

	Yes	No
3) Would you buy the brand on the next opportunity?		
4) Would you recommend this product or service to others?		

## 5.2 Price Premium

- I. For 0.5 L bottle of spring water. How much more you will be able to pay for Uje Rugove over Don Aqua?
- II. 3 cent    2) 5 cent    3) 7 cent    4) 10 cent
- III. Would you prefer a Don Aqua at price 20 cent, an Bonita at price 25 cent, or an Uje Rugove at price 30 ? \_\_\_\_\_
- IV. For 0.5 L bottle of Uje Rugove with a price 0.25 cent would you prefer a Uje Rugove or Don aqua?  
\_\_\_\_\_

## 6) Brand extension

When firm uses an established brand to introduce a new product, it is called brand extension. Company of Uje Rugove is going to start producing cheese with the name Djath Rugove. Please answer the following question regarding Djath Rugove brand extension.

	Strongly disagree	Somewhat disagree	Neutral	Somewhat agree	Strongly agree
1) I think that producing water and cheese fits very well with this company					

## Demographics and Psychographic

(Circle the appropriate number)

### Age:

- 1) Under 18    2) 18-25    3) 25-32    4) 32-39    5) 39-45    6) 45-52    7) over 52

### Gender:

Male    Female

**Marital status:**

1) Single    2) Married    3) Divorced/Separated    4) Widowed

**Education:**

1) Primary school    2) High school    3) Bachelor studies    4) Master studies    5) Doctorate

**19) Income per month (in euro)**

1) 150-300    2) 300-450    3) 450-600    4) 600-750    5) over 750