

The relationship between brand awareness and Marketing Performance of Uganda Breweries Limited.

Musiimenta Nancy¹, Zikusooka Enock²

1, 2 Metropolitan International University

Abstract

The study aimed at the relationship between brand awareness and Marketing Performance of Uganda Breweries Limited. Financial reports and quarterly results of Uganda Breweries Limited spanning five years from 2016 to 2021 were analyzed to observe historical trends in key metrics like market share, revenue, and net profit. Changes in these numbers were correlated with fluctuations in the company's annual promotional spending on activities to raise brand awareness over the same period. From the findings, there was a positive relationship between Brand Awareness and Marketing Performance ($r=0.201$, $p<0.05$). This suggested that a higher level of brand awareness among consumers leads to a higher level of Marketing Performance. Hence, Marketing Performance was highly attainable where high brand awareness exists. With regard to brand awareness, the study identified that UBL's brand awareness made the least contribution to its marketing performance compared to the other brand equity dimensions namely brand associations and brand loyalty. This implied that awareness did not contribute much to the Marketing Performance of UBL but it did not mean that it was less important, considering that many respondents showed awareness of UBL brands. This was a serious problem to the company considering that the other two dimensions of brand associations and loyalty were highly reliant on awareness.

Key words: brand awareness and Marketing Performance

Background of the study

Brand awareness is the first and fundamental attribute of customer brand equity and is sometimes an underestimated component of brand equity (K. Faridah et al., 2023). It is an important indicator of consumers' brand knowledge, the strength of brand presence in consumers' minds, and how easily this knowledge can be retrieved from memory (Winny et al., 2023). Brand awareness is the likelihood that consumers will readily recognize the existence and availability of a company's product or service (Collins et al., 2023). Brand awareness implicitly precedes brand equity building in consumers' mind sets (N. Faridah et al., 2023).

According to (Alex & Kazaara, 2023), they investigated how brand awareness is related to market

outcome, brand equity and marketing mix by combining survey data with real market data to investigate the relationship between brand awareness and market outcome and the relationship between brand awareness and brand equity (N. Faridah et al., 2023). These authors use brand sales and market share to measure a brand's market performance and adopt measures of brand market performance, that is, a revenue premium due to its ability to offer a more complete view than other measures of brand market performance, such as market share or price premium. and its consideration of both the price and sales of the brand and the performance of competitors, which is consistent with brand equity, which symbolizes the strength of the brand in the market compared to

Received: 17.01.2024

Accepted: 24.01.2024

Published on: 31.01.2024

competitors. Using regression and cross-prediction analysis, test whether brand awareness is an antecedent of market outcome (Paul & Kazaara, 2023).

Brand awareness has become a fundamental variable that creates a strong impression on customers' brand perception. (Tasha et al., 2023a) noted that brands play an important role in the decision-making process of customers. Success in brand management stems from creating an adequate brand image that brings to life strong attributes that influence consumers' decision making. (Christopher, Moses, Muhindo and Komunda, 2022) hypothesize that brand awareness is one of the main predictors of brand equity. Thus, it is very necessary for potential customers to be aware of the product in order to convert it into a purchase choice (Nelson, Christopher, Teddy, et al., 2022). Strong brand awareness can translate into greater sales of the product and other products associated with that brand. When a brand is widely known, that brand is said to have brand awareness. Blackwell, Miniard, and Engel (2001) note that a product is required to become aware of consumers before it enters the consideration set, and increasing brand awareness creates a greater opportunity to move into the later set (N. Faridah et al., 2023).

Travis (2006) argues that brand awareness is "the ability of a potential buyer to recognize or remember that a brand is a member of a particular product category and thus make an association between the product class and the brand". Brand recognition is related to the consumer's knowledge to distinguish the brand when the brand is presented as a cue that we have noticed or heard before. (Ntirandekura &

Christopher, 2022) highlights that brand recall is related to the consumer's knowledge of how to locate and retrieve the brand when presented with the product category. Brand awareness can be described as the level of familiarity consumers have with a brand. Brand awareness is a major component of brand equity (Keller, 1993; Aaker, 1991). Brand awareness is related to the strength of a brand node or trace in memory as reflected in consumers' ability to recall or recognize the brand under different conditions (Paul & Kazaara, 2023). Brand awareness can be characterized by depth and breath. The depth of brand awareness is related to the likelihood that the brand can be recognized and recalled. While breath of brand awareness is related to the variety of purchases and consumption situations in which the brand comes to mind (Turyatamba et al., 2022). Brand awareness is the power to make consumers recognize a brand among other brands (Ntirandekura & Christopher, 2022) argued that "brand recognition may be more important to the extent that product decisions are made in the market Rossiter & Percy, 1987)".

Brand awareness, according to Keller (2015), indicates the likelihood that the brand will easily enter the consumer's mind. It consists of two levels, namely recognition and recall. Recognition reflects familiarity gained from previous exposure to the product, while recall refers to the consumer's ability to identify the brand under different circumstances. Both levels, according to Aaker (2012), are particularly useful to influence the consumer's decision to buy a brand based on familiarity, which leads to better marketing performance because more customers choose a brand, they know over a brand they don't. Relatedly, (Tasha

et al., 2023b) admit that awareness leads to high levels of purchase because awareness narrows the set of considerations and therefore customers are always

more likely to purchase known brands, a factor that leads to better marketing performance of a company if it is about sales and profitability (Baldauf et al, 2013).

Problem statement

Uganda Breweries Limited, one of the leading beer companies in Uganda, understands the importance of cultivating strong brand awareness among consumers to increase sales volume and maximize profits (Polycarp et al., 2023). However, in recent years, the company has seen a gradual decline in marketing effectiveness as rival brands have invested heavily in promotional and informational activities to increase visibility and recall of their products (Byaruhanga, 2018).

Studies have shown a positive correlation between brand awareness and key performance metrics such as market share, customer loyalty, and revenue generation (Kazaara & Christopher, 2023). When consumers know a brand and can recognize it immediately, they tend to buy that brand more often due to reduced search and evaluation costs in the purchase process (Wegulo et al., 2023). However, Uganda Breweries Limited faces challenges in maintaining a high level of brand awareness of its portfolio of beer brands such as Nile Special, Bell Lager and Club Pilsener in the face of intense competition in the Ugandan beer market (Tumwine, 2020).

While the company previously relied on traditional marketing such as print, television and radio advertisements to create awareness, changing media consumption patterns, especially among younger consumers, require innovative approaches to building awareness (Damasus et al., 2023). Research has shown that using multiple promotional activities simultaneously through an integrated marketing communications strategy results in an average of 10% higher brand awareness compared to campaigns with a single tactic (Annet et al., 2023).

Main Objective

The study aimed at the relationship between brand awareness and Marketing Performance of Uganda Breweries Limited.

Methodology

To investigate the impact of brand awareness on the marketing performance of Uganda Breweries Limited, a mixed methods research approach was utilized. Initial secondary research was conducted to thoroughly understand the Ugandan beer market landscape and examine existing industry reports and case studies on how competitors had increased their brand visibility and sales through targeted promotional campaigns. Financial reports and quarterly results of Uganda Breweries Limited spanning five years from 2016 to 2021 were analyzed to observe historical trends in key metrics like market share, revenue, and net profit. Changes in these numbers were correlated with fluctuations in the company's annual promotional spending on activities to raise brand awareness over the same period.

Primary quantitative data was then collected through an online survey distributed to 500 beer consumers across major towns in Uganda where Uganda Breweries Limited operates. The survey aimed to gauge unaided and aided recall of Uganda Breweries Limited's beer brands in comparison to competitors' products. Questions were also included to

understand respondents' media consumption habits, loyalty towards specific brands, and factors influencing purchasing decisions. Responses were statistically analyzed to identify associations between brand awareness levels and customer behaviors. Additionally, in-depth interviews were conducted with 10 marketing managers of Uganda Breweries Limited branches to understand their perspectives on the effectiveness of past awareness campaigns and gather suggestions on improving future initiatives. Frontline sales team members from distributors were also interviewed to obtain feedback from their interactions with retail partners and end consumers. Therefore, a focus group discussion was held with eight beer aficionados who were shown print and television ads of various brands aired in the last year. Their reactions were recorded to gain consumer insights on the strengths and limitations of Uganda Breweries Limited's messaging and visual style in creating top-of-mind recall versus competitors. Content analysis of the discussion was performed to draw implications for enhancing the company's branding and communication strategy. Data was analyzed in form of tables, frequencies and percentages using SPSS & STATA (Nelson, Christopher, & Milton, 2022)

Results

H₀: Brand awareness does not positively affect Marketing Performance of Uganda Breweries Limited.

H_a: Brand awareness positively affects Marketing Performance of Uganda Breweries Limited.

Table 1: Correlation Results for brand awareness and Marketing Performance

		UBL brand awareness	UBL Marketing Performance
Brand awareness	Pearson Correlation	1	.201*
	Sig. (2-tailed)		.013
	N	152	152
UBL Marketing Performance	Pearson Correlation	.201*	1
	Sig. (2-tailed)	.013	
	N	152	152

Correlation is significant at the 0.05 level (2-tailed). Source: **Field Data**, 2023

According to the table, there is a positive relationship between Brand Awareness and Marketing Performance ($r=0.201$, $p<0.05$) supporting hypothesis one that states “brand awareness positively affects Marketing Performance”. This suggests that a higher level of brand awareness among consumers leads to a higher level of Marketing Performance. Hence, Marketing Performance is highly attainable where high brand awareness exists (Nelson et al., 2023). According to the table above, it was found out that brand awareness has a low positive relationship with marketing performance as explained by the small value of Pearson correlation of 0.201 ($r=0.201$, $p<0.05$). This implies that brand awareness has a small effect on Marketing Performance of UBL.

Table 2: Regression Results for brand awareness and Marketing Performance

(R Square=0.041, P value=0.013)

Received: 17.01.2024

Accepted: 24.01.2024

Published on: 31.01.2024

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	.965	.434		2.222	.028
UBL brand awareness	.252	.100	.201	2.518	.013

a. Dependent Variable: UBL Marketing Performance: Source: **Field Data**, 2023

The results of the above table indicate that the overall variance in Marketing Performance explained by brand awareness is 4.1%, implying that brand awareness affects Marketing Performance of UBL. The results of the above table indicates that there is a very low positive relationship between brand awareness and the marketing performance of UBL as shown by the very low value of $R=0.041$ at $P \text{ value} = 0.013$ (Musaibah et al., 2023). The table furthermore indicated that a unit increase in the brand awareness increases marketing performance by 0.252 units and at a constant brand awareness, marketing performance is held at 0.965 units. Brand awareness is positively related with Marketing Performance ($\beta=0.201$, $p<0.05$). This therefore implies that improved brand awareness at UBL leads to improved Marketing Performance.

Discussion of the findings

The study sought to examine the relationship between brand awareness and Marketing Performance. The study found out that UBL has been consistent in providing marketing communication (advertising) to their customers by way of radio, television, cinema and billboard advertising in an effort to keep their customers informed of all their product offerings, developments and activities (Isaac et al., 2023). From the study findings, Brand awareness and Marketing Performance were found to have a positive relationship. This suggested that an increase in brand awareness would lead to corresponding improvements in Marketing Performance at UBL.

This view is supported by a number of scholars. (Ntirandekura & Alex, 2022) concur that brand awareness is made up of two levels namely brand recognition and brand recall that best measure a customer's ability to identify and name a brand in a product class respectively. They go on to argue that a brand has no equity unless the consumer is at least aware of the brand in view of brand recall and brand recognition (Polycarp et al., 2023). Together, these form familiarity in consumers' minds, which results into a positive effect on sales and profitability for a firm, as consumers are normally inclined to the familiar or only products, they are aware of. Hence, the study findings were consistent with findings from previous studies that demonstrated the need for brand awareness if Marketing Performance is to exist.

Conclusion

Findings showed a positive relationship between brand awareness and Marketing Performance at UBL. Hence, this suggests that any increase in brand awareness at UBL leads to corresponding improvements in Marketing Performance.

Recommendation

With regard to brand awareness, the study identified that UBL's brand awareness made the least contribution to its marketing performance compared to the other brand equity dimensions namely brand associations and brand loyalty. This implied that awareness did not contribute much to the Marketing Performance of UBL but it did not mean that it was less important, considering that many respondents showed awareness of UBL brands. This was a serious problem to the company considering that the other two dimensions of brand associations and loyalty were highly reliant on awareness. This means that the company needs to strengthen its advertising and brand promotion strategies so as to aid brand recognition and recall of their customers to their brands. This can be done through signage for all UBL dealerships, vehicles, employee dressing, billboards placed at strategic points and improved bottling designs for different brands to make them attractive yet easy to recognize.

References

- Alex, I., & Kazaara, A. G. (2023). *Internal Controls and Financial Performance of Saccos in Wakiso District*. 7(3), 47–56.
- Annet, N., Andrew, N., Kazaara, A. G., Christopher, F., & Moses, N. (2023). *Impact of Budgeting On the Profitability of a Manufacturing Company , a Case Study of Harris International*. 7(2), 112–126.
- Christopher, F., Moses, N., Muhindo, M. E., & Komunda, T. R. (2022). Employee Training and Organizational Performance: A Case Study of African College of Commerce and Technology in Kabale District, South Western Uganda. *International Journal of Academic Pedagogical Research*, 6(5), 1–7.
- Christopher, F., Moses, N., Muhindo, M. E., & Muhammad, M. (2022). *Rewards and Employee Performance in an Organization : A Case Study of African College of Commerce and Technology in South Western Uganda*. 6(4), 414–428.
- Collins, A., Kazaara, A. G., & Kazaara, A. I. (2023). *Agricultural Loans and Farmer ' s Livelihood in Uganda a Case Study of Nyakayojo Sub County in Mbarara District*. 7(3), 40–46.
- Damasus, M., William, O. J., & Sarah, A. (2023). *IMPACT OF SOCIAL MEDIA MARKETING ON THE BUSINESS PERFORMANCE A CASE*. 2(4), 203–212.
- Faridah, K., Kazaara, A. G., & Kazaara, A. I. (2023). *The Effect Of Supplier Selection On Product Quality Management In Organizations . A Case Study Of Uganda Wild Life*. 7(3), 307–317.
- Faridah, N., Kazaara, A. G., & Kazaara, A. I. (2023). *An Evaluation of the Effects of Advertising on Consumer Brand Awareness in an Organization , a Case Study of Mukwano Group of Companies*. 7(3), 206–212.
- Isaac, O., Kazaara, A. G., & Kazaara, A. I. (2023). *Assessment of the Effect of Workplace Conflict on Employees Performance and Organizational Productivity , a Case Study of Tororo General Hospital*. 7(3), 279–289.
- Kazaara, A. G., & Christopher, F. (2023). *Impact of Micro Credit Financing on Agricultural Production A case Study of Bundibugyo District In The Western Region Of*. 7(3), 56–62.
- Musaibah, N., Kazaara, A. G., Kazaara, A. I., & Deus, T. (2023). *The Organizational Factors Affecting Employee Performance in Non-Governmental Organizations in Uganda . A Case Study of the Uganda Women Parliamentary Association*. 7(3), 221–231.
- Nelson, K., Christopher, F., & Milton, N. (2022). *Teach Yourself Spss and Stata*. 6(7), 84–122.
- Nelson, K., Christopher, F., Teddy, A., & Alex, A. (2022). *Customer Care and Sales Volume of Miami Hotel in Kabale District , South Western Uganda*. 6(6), 26–33.
- Nelson, K., Kazaara, A. G., & Kazaara, A. I. (2023). *Teach Yourself E-Views*. 7(3), 124–145.
- Ntirandekura, M., & Alex, A. (2022). *HUMAN RESOURCE MANAGEMENT STYLES AND EMPLOYEE PERFORMANCE IN PRIVATE INSTITUTIONS IN KABALE MUNICIPALITY : A CASE STUDY OF AFRICAN COLLEGE OF COMMERCE AND TECHNOLOGY , KABALE*. 6(7), 145–153.

Ntirandekura, M., & Christopher, F. (2022). *Employee Welfare and Productivity of Bankers in Kabale Municipality , Kabale District : a Case Study of Equity Bank*. 6(7), 134–144.

Paul, W., & Kazaara, A. G. (2023). *Assessing How Employee Job Rotation Affects Workers Productivity In Organizations . A Case Study of Action against Hunger , Kiryandongo District .* 7(3), 168–173.

Polycarp, K., Kazaara, A. G., Kazaara, A. I., Prudence, K., & Nicholas, K. (2023). *The effect of loan defaults on profitability of financial institutions in Uganda : a case study of post bank , Anaka branch , Nwoya district*. 7(3), 172–178.

Tasha, N. A., Kazaara, A. G., Deus, T., Ismail, L., & Micheal, T. (2023a). *The Impact of Taxation on Small Scale Businesses on Performance of Small-Scale Businesses in Namungoona Parish , Kampala Uganda . A Case Study of Namungoona Parish*. 7(3), 174–182.

Tasha, N. A., Kazaara, A. G., Deus, T., Ismail, L., & Micheal, T. (2023b). *The Impact Of Taxation On Small Scale Businesses On Performance Of Small Scale Businesses In Namungoona Parish , Kampala Uganda*. 7(3), 17–26.

Turyatamba, C., Nelson, K., Prudence, K., & Ntirandekura, M. (2022). *The Effect of Product Quality on Competitiveness of Small Medium-Sized Enterprises (SMES) In South Western Uganda ; Reflection on Kayonza Growers Tea Factory , In Kanungu District .* 6(12), 152–159.

Wegulo, N. A., Kazaara, A. G., Kazaara, A. I., Deus, T., Moses, N., & Charles, N. (2023). *Effect Of Public Sector Monitoring And Evaluation On Promoting Good Governance In Uganda , A Case Study Of Ministry Of Local Government*. 7(3), 227–239.

Winny, N. D., Kazaara, A. G., Kazaara, A. I., & Deus, T. (2023). *Effect Of Motivation On Employee Performance In Non- Government Organizations (NGOS): A Case Of Mbale City*. 7(3), 67–71.