

# **The Relationship between Personal Selling and Building Consumer Based Brand Equity: A Case Study on the Cookie Time Christmas Cookies Brand.**

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## **Abstract**

Since the 1980's the value of brands from the consumers' perspective has been a key area of interest, as both companies and researchers have recognized the importance of ensuring brands are, and remain successful in the market. Brand equity is the value a consumer puts on a brand, and is formed around associations and experiences they have had with it. Thus, Consumer Based Brand Equity (CBBE) is useful for marketers when understanding their consumer's behaviour in order to improve their product's positioning, promotional programs, and marketing activities. The focus of this study is from the managerial perspective, and is being conducted specifically for Cookie Time Ltd. This study is trying to gauge to what extent the customers value the Cookie Time Christmas Cookies brand, based on the four dimensions of CBBE, and if the personal sellers have any influence on their perceptions and value of the brand. This thesis acknowledges that there have been a few studies conducted around influences on the formation of brand equity, yet to the researcher's knowledge no studies have investigated the influence personal sellers has on a brand.

This study analyses the four dimensions of CBBE; brand awareness, brand associations, perceived brand quality, and brand loyalty, with the aim of helping Cookie Time Ltd to improve their Christmas Cookies campaign and the service they are providing to customers. Specifically respondents will be asked what associations they have with the brand, reasons why they purchase the brand, if and why the personal selling aspect is important to them, and how satisfied they were with the experience with their Christmas Cookies seller. The overall importance of the personal selling distribution channel is examined, to ensure that Cookie Time Ltd are getting their product to market in the most effective way. The research hypotheses look to specifically examine the influence of personal selling on brand awareness and associations, perceived brand quality and brand loyalty.

An online question was distributed to 10,000 previous Christmas Cookies customers from the Christmas Cookies database and was sent from a Cookie Time Ltd email address, yielding a final sample of 800. The data was analysed using descriptive statistics, qualitative analysis, and a structural equation model (SEM) to examine the hypothesised relationships in the conceptual model. The results indicate that the

customers have high levels of awareness, positive associations with the brand, high perceptions of quality, and a relatively high level of loyalty towards the brand. The main themes that emerged from the open-ended questions showed that the customer value the importance of the personal selling primarily due to, convenience and interaction factors. The majority of customers were satisfied with their experience with the personal seller, where the main themes of; excellent customer service and ease of the purchasing process emerged. The findings of the study show that all four of the research hypotheses were supported with statistical significance. The key academic finding indicates that personal selling has a significant influence on customers' brand awareness and associations, and perceived brand quality. Another finding indicates that these two dimensions of CBBE also precede brand loyalty, with these findings supporting the academic literature.

This study revealed that the personal sellers who visit workplaces around New Zealand in the weeks leading up to Christmas positively influence the CBBE of the Christmas Cookies brand. They positively influence customers' decision to purchase, their associations and quality perceptions of the brand, and thus influencing their loyalty to the brand. Furthermore, this study found that personal selling is the most preferred distribution channel for the Christmas Cookies. Managerial recommendations include introducing a customer loyalty scheme to recognise those customers who are regular purchasers of the Christmas Cookies, implementing an online system where customers can place or change orders, and a function on the Cookie Time Christmas Cookies customer database which tracks which business sellers have visited, and business that still need to be visited. Academic contributions, limitations, and future research directions are discussed in the final chapter of this thesis.

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# CHAPTER 1.0

## INTRODUCTION

*“A product is something that is made in a factory; a brand is something that is bought by a customer. A product can be copied by a competitor; a brand is unique. A product can be quickly out-dated; a successful brand is timeless”* Stephen King, WWP Group, London

### 1.1 Context

Since the twentieth century, brands and the associations they carry have become central to organisations (Aaker, 1991). Brands play a number of valuable roles, their primary role involves acting as a marker for firms which helps to differentiate its products from others (Keller and Lehmann, 2006). Brands have the ability to communicate personality, meaning, features, attributes, and quality to the consumer, all of which aid the purchase decision process (Moutinho and Bian, 2009, Wilke and Zaichkowsky, 1999). Due to the high level of competition between brands in the market place, companies are now aware that their brand/s are the most valuable intangible asset they own (Green and Smith, 2002).

Brands represent a company’s major investment in research and development, and brand management (Staake, Thiesse, & Fleish, 2009) and given the large cost of bringing new brands to market, companies need to ensure that consumers are choosing their brands over competitors (Tauber, 1988). Brand equity refers to ‘the set of associations and behaviour on the part of a brand’s customers, channel members and parent corporation that permits the brand to earn greater volume or greater margins than it could without the brand name and that gives the brand a strong, sustainable, and differentiated competitive advantage’ (Leuthesser, 1988). Brands that have high brand equity have an added competitive advantage over other brands in the market due to successful brand extensions and resilience to competitors’ promotions (Farquhar, 1989). In conjunction, strong brands tend to have less perceived monetary, social and safety risks for their consumers.

As stated, brand equity is the value a consumer puts on a brand, based on the associations and experiences they have had (Lassar et al., 1995, Yoo and Donthu, 2001, Keller, 1993, Aaker, 1991). Thus, the ability to measure the value of brand equity is useful because it helps marketers understand their consumer's behaviour in order to make improved strategic decisions about product positioning, promotional programs, and other marketing activities.

There are two streams of literature which make up brand equity: financial and consumer-based brand equity (Cobb-Walgren & Ruble, 1995, Yoo and Donthu, 2001). Financial Based Brand Equity is the “incremental cash flows, which accrue to branded products over and above the cash flows which would result from the sale of unbranded products” (Simon and Sullivan, 1993, p.23) . Financial brand equity is not useful for the present purposes as it is a monetary measure and therefore does not explain the value of the brand from the consumer's perspective, thus the second stream of literature will be defined. Consumer Based Brand Equity (CBBE) is the overall value a consumer associates with the use and consumption of a particular brand. Powerful brands maintain, improve, and strengthen relationships with consumers through enhancing consumers' attitude and preference for the brand.

Aaker (1991) and Keller (1993) were the first authors to contribute to the literature surrounding CBBE and have agreed that it is constructed of different dimensions. Currently there is no universal decision on the precise dimensions that make up CBBE. However, the decision commonly found in the literature considers the following dimensions; brand awareness, brand associations, brand loyalty, and perceived brand quality. According to Keller (1993), customer awareness and associations have an ability to influence the perception of quality and improved attitudes which correlate to brand loyalty. Brand loyalty involves commitment to repurchasing a certain brand reflected in repeat purchase or use of a product or service. The different dimensions of CBBE allow for effective monitoring and analysis of brands, where marketing managers can see how their marketing activities are enhancing or degrading the brand value for consumers.

The following section will describe the company and context this study investigates.

### **1.1.1 Cookie Time Christmas Cookies**

Every year, Cookie Time Ltd run a six-week Christmas Cookies campaign. Consumers are targeted through a well-developed and effective campaign that positions the product favourably for the Cookie Time brand. This is achieved by employing university students to sell the product, walking the streets visiting local businesses and selling cookies to employees within the businesses. In the first three weeks of the campaign, the sellers visit local businesses in their areas taking orders for buckets of cookies, with the last three weeks reserved for the delivery of the Christmas Cookies. In 2011, Cookie Time Ltd added two new distribution channels: an online store, and a pop-up store in the retail complex Sylvia Park, Auckland. However, the main distribution channel remains the personal sellers' who visit businesses in their specified selling territories.

The number of buckets sold during the six-week campaign has increased annually. Over a 27-year period the campaign has increased from 6,000 buckets sold in Canterbury in 1988 to 221,000 buckets sold nationally in 2011. An additional 19,000 buckets were sold through the online shop and the pop-up flagship location.

Cookie Time Ltd has adopted personal selling as the main distribution channel. Sales staff play an important role in the campaign, as they are a primary link between their customers and the business. Sales staff have considerable influence over purchasers' opinions of the business and product value (Biong and Selnes, 1997) and Cookie Time Ltd are interested in determining the link between their use of personal sellers and its effect on the brand equity of the Christmas Cookies.

## **1.2 Need for Research**

The importance of understanding brand equity from the consumer's point of view is described by Keller (1993) when he stated "though the eventual goal of any marketing program is to increase sales, it is first necessary to establish knowledge structures for the brand so that consumers respond favourably to marketing activities for the brand" (p. 8). He further explained that although positive CBBE can indicate higher revenues, and therefore higher profit margins, it could also have further positive

implications for a company to demand higher prices, customer's willingness to use new distribution routes, and the success of product/brand extensions.

Many of the studies conducted around CBBE have looked at measuring a brand's equity from the consumers' perspective and the influence factors such as price, promotion, and advertising (Cobb-Walgreen et al., 1995, Gil et al., 2007, Washburn and Plank, 2002, Villarejo-Ramos and Sanchez-Franco, 2005). This study is the first to investigate the relationship between personal selling and the dimensions of CBBE. Therefore, it is hoped that the findings will be able to make a contribution to the CBBE literature.

Many of these studies above have been developed to add to the academic theory of CBBE; however it is an important aspect to study from the managerial point of view, as it can determine the managerial implications of such theory. Firstly due to CBBE allowing for measures at the brand level, and secondly, marketing managers find it easy to interpret and understand the measures that are used to collect data around CBBE, therefore making it easier for them to understand the results, and to use them in a way the company will benefit from. The results from this study will aid with the managerial implications for Cookie Time Limited and other FMCG companies looking to implement personal selling as a distribution channel.

### **1.3 The Problem**

The purpose of this master's thesis is to examine the Consumer-Based Brand Equity (CBBE) for Cookie Time Limited, in relation to their Christmas Cookies brand. This study looks to specifically investigate why the customers like the brand, and what influence the personal sellers have on the customers' value of the brand.

The present study focuses on using four of Aaker's (1991) dimensions of CBBE (brand awareness, brand associations, perceived brand quality, and brand loyalty), and personal selling to determine its influence on the brand equity of the Christmas Cookies.

Specifically respondents will be asked what associations they have with the brand, reasons why they purchase the brand, if and why the personal selling aspect is important to them, and how satisfied they were with the experience with their Christmas Cookies seller.

In the present study CBBE is the most relevant measure to use for Cookie Time Ltd as it will give the marketing managers insight about the brand's strengths and weaknesses from the consumers point of view. As stated earlier, in 2011 two new distribution channels were added to the campaign. The aim of the research is to identify whether Cookie Time Ltd should retain personal selling as their major distribution channel, or if more emphasis should be put on the new channels, such as an online shop, mall pop-up stores, or supermarkets.

This research therefore aims to understand why customers value the brand and if it is influenced by the personal selling technique that has been employed for the Cookie Time Christmas Cookie campaign. In order to meet these objectives, the following research questions were developed:

*Research Question 1:*                      What are the key aspects of brand equity for the Cookie Time Christmas Cookies brand?

*Research Question 2:*                      How does the personal selling technique impact on customers' perceptions and values of the Cookie Time Christmas Cookies brand?

#### **1.4 The Current Study**

Due to this research being an applied project for Cookie Time Ltd, the best way of getting insightful answers was to send out an online questionnaire to recent Christmas Cookies customers. It was hoped that the responses to the questionnaire would answer the above research questions and test the hypotheses to see if the personal selling has a significant impact on the CBBE dimensions.

Four hypotheses have been created based on Gil, Andreas and Salinas (2007) model, which test the relationships between personal selling and the CBBE dimensions, and the relationships between the CBBE dimensions. A Structural Equation Model (SEM) has been created to measure these relationships. The hypotheses will be discussed in more detail in Chapter 4.1.

The questionnaire was developed using existing measures which have been tested for validity and reliability in previous studies (Yoo and Donthu, 2001, Yoo et al., 2000, Washburn and Plank, 2002, Gil et al., 2007, Villarejo-Ramos and Sanchez-Franco, 2005). These scales use a 5-point Likert scale ranging from 1 = strongly disagree to 5= strongly agree to measure the consumers' attitudes towards the Christmas Cookies brand. To gain a more in-depth knowledge about how the customers view and perceive the brand, a number of open-ended questions were included. These questions were developed specifically for this study based on previous customers' experiences with their Christmas Cookies sellers. There were also a number of demographic questions asked to ensure that there was an even spread around New Zealand. The data was also used to profile the Cookie Time Christmas Cookies customers.

The online questionnaire was sent out to 10,000 recent Cookie Time Christmas Cookies customers from a Cookie Time Ltd email address on behalf of the researcher, and was active for a two-week period. The collected data was then collated, with the qualitative elements appropriately coded, and the quantitative elements analysed using SPSS and AMOS (Version 20).

The present study provides useful managerial implications for Cookie Time Ltd in regards to maintaining the Christmas Cookies brand position and relationship with its customers. It provides guidance for Cookie Time marketing managers on ways to improve the campaign, to make it easier and more efficient. The results are also useful for other FMCG companies looking to successfully implement personal selling as a distribution channel.

The present study also contributes to the CBBE theory with evidence that brand awareness/associations and perceived brand quality precede brand loyalty. The findings of this study provide new theoretical knowledge about the relationship

between personal selling and CBBE, with evidence showing that there is a significant relationship between personal selling and the customers' level of awareness, associations, and perceptions of quality of the Christmas Cookies brand. Future research can apply this conceptual model to other product categories, or business contexts.

In conclusion, the study contributes to the knowledge base by measuring the relationships between the dimensions of CBBE and what implications these have for Cookie Time Ltd. In particular, the study highlights that the Christmas Cookies customers are highly aware of and have positive associations with the brand, value the quality of the brand highly, and have a moderate sense of loyalty to the brand. The personal sellers who sell the Christmas Cookies to the New Zealand public annually have significantly influenced these perceptions. Overall, the personal selling distribution channel is very important to the customers, with convenience and the high level of customer service being influential factors. Thus, it is recommended that this distribution channel should remain the primary channel for the Christmas Cookies brand.

## **1.5 The Structure of Thesis**

This section (Chapter 1) has presented a detailed outline for the thesis, outlining the problem and need for the research to be conducted. The following section (Chapter 2) reviews current literature, beginning with an outline of brand equity and the two different ways in which it can be measured, firm based, or consumer based. The chosen dimensions of Consumer Based Brand Equity will be discussed in detail and a review of previous scales and methods of measurement will be discussed.

Chapter 3 looks at the context of the problem. It outlines the history of the Cookie Time Limited Christmas Cookie Campaign, looking specifically at the sales figures for the period of time it has been running. In addition, it looks at why the personal selling technique is used, and why university students are chosen to be the sellers.

The next section (Chapter 4) looks at the methodology used to answer the research questions and to test the hypotheses. Firstly, the hypotheses are explained in detail linking the dimensions of CBBE and personal selling. Next, the use of a survey based research is explained and justified, touching on the advantages and disadvantages of using an online questionnaire. This is followed by the justifications of using existing scales to measure CBBE and discussion of the specific scales that were used. The formation of the questions based on the personal selling aspect of the research is also discussed. Lastly, the sampling frame and the data collection procedures are explained.

The following section, Chapter 5, discusses the results of the research, including the analysis procedures used to test the hypotheses. Based on what is found in the results section, Chapter 6 looks at the overall conclusions of the research, the implications for Cookie Time Limited and for marketing theory and practice, as well as the limitations of the research. Finally, recommendations for future research are made, suggesting a number of different avenues that require further attention.

## **CHAPTER 2.0**

### **LITERATURE REVIEW**

To understand the value of brand equity, this chapter begins by illustrating the importance of establishing a strong brand. The discussion on brand equity that follows, places greater emphasis on the stream of the Consumer-Based Brand Equity (CBBE) literature. The literature identifies four dimensions that provide useful measures in this study. These dimensions are discussed in conjunction with the appropriate mechanisms to ensure accurate results. An evaluation of the personal selling literature leads to the logical assumption that a strong correlation exists between seller, buyer, and company. This relationship requires greater thought, assessment, and emphasis.

#### **2.1 Brands**

Brands play a number of valuable roles. Their primary role involves acting as a marker for firms which help to differentiate their products from others (Keller and Lehmann, 2006). From the consumers' perspective, brands help to make decision making easier, reduce risk, and create trust. Brands themselves are built on the product, the complementary marketing activity, and how the customers use the product. Thus, it is important for companies to ensure that their brand management is being approached in a strategic way (Wood, 2000). Schmitt (1999) went on further to say that consumers view brands as an experience provider, where the logo, name, and contact with its consumers help build a relationship between themselves and the brand. Consumers have different relationships with different brands, as it is dependent on the wants and needs of the consumer. In short, branding transforms a consumer's experience with a brand, and thus, adding value to that product.

Finally, brands are very powerful assets in the financial sense. With the difficulties and expenses that come with establishing new brands; companies need to ensure that their brand is being chosen at the point of sale (Aaker, 1991). Therefore, it is important the companies care for and nurture their brands to ensure they have a successful life.

Without brands in the market, the consumer decision-making process would rely on tangible and intangible cues, such as product ranking, media reviews, price, ads, and personal referrals. The promise that brands give consumers does not just aid in the decision making process, it creates value in itself and tends to enhance the experience of using or owning the product (Feldwick, 2002). This promise will also bring brand loyalty with it, as the consumers will know what quality the product is, and the associations that are affiliated with that particular brand (Aaker, 1991). Therefore, in summary, “a brand is fundamentally a promise, rendered credible by law and by experience. At one level this simply makes the decision process easier; at a higher level it can actually add to consumers beneficial experience of a product, thus creating a value for which people may be prepared to pay” (Feldwick, 2002, p. 9).

It is for the above reasons that companies need to ensure that their branding and brand management are an important management priority. They need to ensure that their brand is forming relationships with its users, as this is where the sense of attachment is formed, thus improving the associations which go above and beyond the product itself.

## **2.2 Brand Equity**

Until the 1970’s branding was only associated with mass communication and mass productions of products (Barwise, 1993), with companies using brands to differentiate their products solely by their quality and functionality. Then, in the 1980’s, companies started to communicate the intangible value the products could offer their consumers over competing products (Barwise, 1993). This was when brands changed from being functional to story tellers, where they aimed to create and add meaning for their customers (Roper and Parker, 2006).

Quickly after this discovery, the value of the brand image became more evident to managers. With one of the most important events in brand management history occurring in 1988, when Kraft was sold for \$12.6 billion, six times its book value (Aaker, 1991). This suggested for the first time that a large sum of money had been allocated to a thing that before was unquantifiable – a brand.

The official Marketing Science definition of brand equity is ‘the set of associations and behaviour on the part of a brand’s customers, channel members and parent corporation that permits the brand to earn greater volume or greater margins than it could without the brand name and that gives the brand a strong, sustainable, and differentiated competitive advantage’ (Leuthesser et al., 1995). This is a thorough definition of the term, because it states that all channel members are important in brand equity and it ties profit margins to the consumers’ behaviour and brand associations.

Since the concept was created, many important academic contributions have been made throughout the 1990’s by Aaker (1991), Keller (1993), Srivastava and Shocker (1991), and Kapferer (1992). However, a universally accepted meaning, concepts, and measures have not been decided upon (Washburn and Plank, 2002).

Brand Equity has been discussed thoroughly from the point of view of both the financial and managerial motivations for measuring brand equity (Wood, 2000). The financial measures of brand equity help value the company using the “incremental cash flows, which accrue to branded products over and above the cash flows which would result from the sale of unbranded products” (Simon and Sullivan, 1993, p.23), commonly this is referred to as Financial-Based-Brand-Equity (FBBE) (Simon and Sullivan, 1993). A noteworthy limitation of this measure is that it provides little or no guidance for managers to help them build brand equity (Sinha et al., 2008).

The second motivation for studying brand equity comes from a “strategy-based motivation to improve market productivity” (Keller, 1993, p. 1). To make a brand more successful, companies need to increase the efficiency of their marketing expenses (Tauber, 1988). This could be through measuring and evaluating the success of promotional programs, or the positioning of a product. Marketers need to ensure that they have a thorough understanding of consumer behaviour in order to make improved strategic decisions about product positioning, and target market definitions (Keller, 1993). Looking at this from the marketing perspective, brand equity can be non-quantifiable and is commonly translated as a benefit to the consumer. This view of brand equity is commonly referred to as ‘Consumer-Based Brand Equity’ (CBBE). Rundle-Thiele and Mackay (2001, p. 1153) stated, “The marketing approach (often

referred to as consumer based brand equity) refers to the added value of the brand to the consumer. Subscribers to this approach tend to focus on the value created by marketing activities as perceived by consumers”, thus, making it an important concept to study.

Consumer Based Brand Equity (CBBE) is an area that has had some growth in interest due to the importance of a brand for a company. It has been found by researchers that a product’s brand equity has the power to positively affect future profits and long-term cash flow (Srivastava and Shocker, 1991), a customer’s willingness to pay premium prices (Keller, 1993), and marketing success (Ambler, 1997).

Some of the research that has been conducted around brand equity has also identified a positive correlation between brand equity and a firm’s performance (Baldauf et al., 2003, Cobb-Walgren et al., 1995, Washburn and Plank, 2002). The main conclusions drawn from this correlation is that brands with higher equity are able to produce increased revenue due to increased preferences and physical revisits and repurchase intentions of customers.

In the present study CBBE is the most relevant measure to use for Cookie Time Ltd, as it will provide them with information about the brands’ strengths and weaknesses from the consumers point of view. An advantage of using CBBE is that the results are easily broken down into the different dimensions of CBBE (brand awareness, brand associations, perceived brand quality, and brand loyalty), therefore making it easier from a managerial perspective to make amendments to specific areas of their current marketing program. The CBBE construct is discussed in detail below alongside the different ways of measuring the concept.

### **2.2.1 Consumer-Based Brand Equity (CBBE)**

Since the introduction of the brand equity concept in the 1980s and specifically the introduction of the term Consumer Based Brand Equity (CBBE), there have been many different methods used to define and measure it, with many lacking any

common ground (Aaker, 1991). This is not surprising as CBBE measures are dependent on the nature of the product, the market, and what the company's brand management objectives are. Presently there is no distinct way to conceptualise and measure brand equity that is transferable among brands, however ongoing research in this area is improving and strengthening pre-existing scales and measures.

### ***2.2.1.1 Definitions of CBBE***

In the 1990's there were two main academic contributors to the CBBE construct; Aaker (1991) and Keller (1993). Aaker (1991) was the first academic to start research on the topic of CBBE and defined it as "a set of brand assets and liabilities linked to a brand, its name and symbol, that add to or subtract from the value provided by a product or service to a firm and/or to that firm's customers" (Aaker, 1991, p.15). However, it was Keller (1993, p. 2) who coined the term Consumer Based Brand Equity (CBBE) and defined it as "the differential effect of brand knowledge on consumer response to the marketing of the brand". Since these definitions, there have been many studies conducted which have tried to conceptualise and understand the concept (Cobb-Walgren et al., 1995, Pappu, 2005, Park and Srinivasan, 1994, Srivastava and Shocker, 1991, Yoo et al., 2000, Yoo and Donthu, 2001)

Aaker (1991) grounded his research from a cognitive psychology perspective and defined brand equity as the value consumers associated with a brand and links to how the consumers view a brand's overall supremacy, when it is linked to a product, and in comparison to other brands. Aaker (1991) conceptualised brand equity as a multidimensional construct made up of five assets (or liabilities); brand awareness, brand associations, perceived brand quality, brand loyalty, and other proprietary assets such as patents, channel relationships, and trademarks. However, looking at these assets, which will be called "dimensions" in the present study, only four are important when looking at them from the consumer perspective; brand awareness, brand associations, perceived brand quality, and brand loyalty. The proprietary assets dimension does not represent consumer perceptions, thus is not relevant to CBBE. Aaker's (1991) definition is strong, as it includes a variety of different factors that can

affect CBBE, and has included dimensions that connect with brand strength and/or brand value.

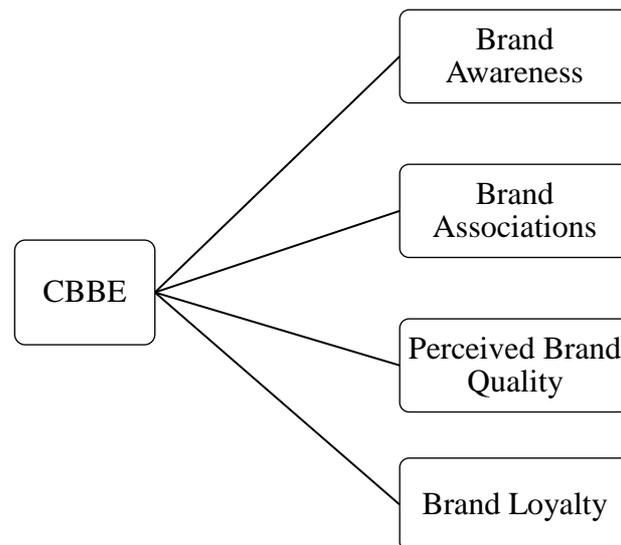
The second prominent academic contributor was Keller (1993). Keller's (1993) definition stated above, looks at brand equity from a consumer psychology perspective. This definition includes three important concepts: "differential effect", "brand knowledge", and "consumer response to marketing". "Differential effect" is determined by comparing consumers' responses to marketing of mock versions of the product and/or service. "Brand Knowledge" uses brand image and brand awareness to help conceptualize how the consumers view the product and/or service. "Consumer response to marketing" is defined from the perceptions of consumers, their preferences, and behavioural responses to the marketing mix activity (Keller, 1993). Keller's definition takes a consumer-based brand strength approach in regards to brand equity. It suggests that brand equity "represents a condition in which the consumer is familiar with the brand and recalls some favourable, strong and unique brand associations" (Wood, 2000, p. 663). In Keller's (1993) opinion, strong brands are more likely to be brought, have greater consumer and retailer loyalty, and therefore tend to be less vulnerable to competitor's marketing activities.

Although Aaker (1991) and Keller (1993) conceptualised CBBE differently, they both agreed that it is formed based on brand associations from the consumers' perspective. Aaker (1991) provided the idea that brand equity consisted of the four dimensions previously mentioned. Whereas, Keller (1993) suggested that CBBE consist of two dimensions – brand knowledge and brand image.

The conceptualisations behind CBBE have come mostly from cognitive psychology and information economics (Christodoulides and de Chernatony, 2010), with the majority of the research being conducted on the cognitive psychology side, mainly focusing on memory structure (Keller, 1993, Aaker, 1991).

Harmonious with Aaker's (1991) conceptualisations other researchers e.g. (Cobb-Walgren et al., 1995, Sinha et al., 2008, Pappu, 2005, Yoo et al., 2000, Yoo and Donthu, 2001) suggested a method to measure CBBE, which was categorised into four dimensions (brand awareness, brand associations, perceived brand quality, and

brand loyalty) (See Figure 2-1). In contrast to this Yoo and Donthu (2001), and Washburn and Plank (2002) also based their studies around Aaker's (1991) conceptualisations, but only found three CBBE dimensions. As they found that brand awareness and brand associations could be combined into one dimension.



**Figure 2-1 The CBBE Dimensions**

As previously stated, currently there is no universal agreement on the definition or dimensions that construct CBBE. However, one common view is that the relationship and impact of the value of a brand has on a company is made via the effect's brands have on their consumers. Many of the conceptualizations around brand equity, specifically the connection between consumers and brands, surround consumer behaviour through brand associations (Aaker, 1991), and brand knowledge (Keller, 1993). Therefore, this tells us that consumers make choices based on the information they are given either at the point of sale, or from memories that have been accrued overtime. The consumer then processes all their pre-existing knowledge and information at the time of purchase.

This study is going to measure the dimensions of brand awareness, brand associations, perceived brand quality, and brand loyalty. The definitions of the four dimensions used in this study are as follows:

*Brand awareness* is defined as “the customers’ ability to recall and recognise the brand” (Keller, 1993, p. 76). This is built around the consumers’ familiarity with the brand due to exposure to marketing activities. This is achieved through an experience they have with the brand e.g. hearing, seeing, or thinking about it, which will help the brand to stick in their mind.

*Brand associations* are made up of “all the brand-related thoughts, feelings, perceptions, images, experiences, beliefs and attitudes” (Kotler and Keller, 2006, p. 188) and anything else that is linked in memory to the brand. According to Aaker (1991), the associations with a brand strengthen over the number of experiences a consumer has with a brand.

*Perceived brand quality* can be defined as the customer’s perception of the overall quality or superiority of a product in regards to its purpose and relative to alternative products (Zeithaml, 1988). It is based on the consumers’ or purchasers’ subjective evaluations on the quality of the product and/or service.

*Brand loyalty* is the level of “attachment a consumer has to a brand” (Aaker, 1991, p. 39). This can also include a consumer’s preference to buy a particular brand in a product category. Each of these dimensions will be discussed in further detail later as they will all be measured in the present study.

Due to CBBE having different dimensions, brands have the ability to have stronger customer perceptions and values in some dimensions more than others. This means that the results of brand’s CBBE can be: positive, negative or a combination. One advantage of obtaining results for the different dimensions is that the results tell marketing managers where the customers’ perceptions and values of the brands are less than the other dimensions, thus, where their marketing activities need to be altered.

There are three reasons as to why brand equity occurs, First, it arises when consumers react more favourably to a product when the brand is identifiable, in comparison to an unidentifiable brand (Keller, 1993). Second, the differences that are found between

the reaction of branded and unbranded products, are usually due to the consumers' knowledge about the brand. Thus, although the marketing activities of the firm can be a strong influence, it ultimately depends on brands exist in the consumers mindset. And third, the consumers' response that makes up brand equity is shown by their perceptions, behaviour, and preferences towards all aspects of the brand (Keller and Lehmann, 2006).

A brand can have a positive (negative) CBBE when a consumer reacts more (less) favourable towards one brand over another. Therefore, a brand with a positive CBBE can be beneficial for the company, as it can result in increased consumers' acceptance of brand extensions, ability to charge a premium, a more inelastic response to pricing and increased customer loyalty (Keller, 1993, Yoo et al., 2000). On the other hand, negative CBBE occurs when consumers react less favourably to marketing activity for the brand compared with an unbranded version of the product (Keller, 1993). It has the impact to lower consumers' willingness to buy, as they no longer agree with the product being worth that sum. It is also detrimental to a company's image, as the negative impact does not solely affect the product in question, but also impacts on the brand.

### ***2.2.1.2 Consumer Based Brand Equity Measurement***

Although Aaker (1991) and Keller (1993) helped conceptualise the idea of brand equity and CBBE, they never created a scale for its measurement. Thus, a number of different approaches to measuring CBBE have been suggested, centred on the consumers' perspective (e.g. (Green and Srinivasan, 1978, Aaker, 1991)).

There are two approaches to how companies can measure CBBE: the direct approach, and the indirect approach. The "indirect" approach attempts to measure potential sources of CBBE by measuring brand knowledge, which includes, brand awareness, characteristics, and brand image (Park and Srinivasan, 1994, Srinivasan, 1979, Kamakura and Russell, 1993, Swait et al., 1993)The "direct" approach measures CBBE in a more direct manner, "by assessing the impact of brand knowledge on consumer response to different elements of the firm's marketing program" (Keller, 1993, p. 12). Both approaches to measuring CBBE should be used together; as the

indirect approach helps to identify what aspects of brand knowledge “cause the differential response that creates CBBE and the direct approach is helpful in determining the nature of the differential response” (Keller, 1993, p. 12).

Many of the first measurement approaches were not very helpful for the brand managers, as there was no distinction between the different components of brand equity (Sinha and Pappu, 1998), and thus were very hard to interpret and comprehend. To overcome this problem, many researchers adopted to break CBBE into the four dimensions previously stated (Cobb-Walgren et al., 1995, Sinha and Pappu, 1998, Yoo et al., 2000, Yoo and Donthu, 2001). Thus, making the results much easier for brand managers to interpret and therefore use to adapt their marketing and promotional activities.

Cobb-Walgren et al. (1995) were the first researchers to measure CBBE based on both Aaker (1991) and Keller (1993) conceptualisations. With results showing that the brand that had the highest equity, had significantly greater preferences and purchases intentions. Yoo et al. (2000) researched CBBE a bit differently using a Confirmatory Factor Analysis (CFA) method, however they regarded CBBE to be only made up of three dimensions, brand loyalty, perceived brand quality, and combined brand association and brand awareness into one dimension.

Yoo and Donthu (2001) were the first researchers to create a multidimensional scale for CBBE. They designed an individual-level measure that is “reliable, valid, parsimonious, and draws on the theoretical dimensions put forward by Aaker (1991) and Keller (1993)” (Christodoulides and de Chernatony, 2009, p.56). The scale was validated using three samples of American, Korean, and American Korean consumers. The resulting scale was made up of 10 items which represented the three dimensions of CBBE similar to Yoo et al. (2000); brand loyalty, perceived brand quality, and brand awareness/associations. They also developed a four-item scale to measure the ‘overall brand equity’ of a brand.

This study was important as it showed both practical and theoretical implications that can benefit the CBBE literature. Firstly, the measure can be used to study how CBBE

results from ideas the consumers already have on the brand based on aspects like; brand knowledge, the company's image, and previous purchase and consumption experiences. Secondly, the scale can measure the equity of co-brands. Additionally, it can also be used to measure how brand extensions can affect brand equity and how consumers use their preconceived knowledge of the parent brand when transferring it onto different extensions (Yoo et al., 2000).

Washburn and Plank (2002) have validated Yoo and Donthu (2001) CBBE scale and have suggested to improve the scale the dimensions of CBBE need to be refined. This suggestion is furthered, stating that future researchers should focus on distinguishing the differences between brand awareness and brand associations. While according to Aaker (1991) these two dimensions are different, some empirical evidence (Yoo et al., 2000, Yoo and Donthu, 2001, Washburn and Plank, 2002) advocate that they should be one dimension. However, these minor limitations can be easily fixed to make the scale stronger. Although this relationship is not being tested in this study, if the results are found to be significant it will add to the above findings that they should be one dimension.

### ***2.2.1.3 Previous CBBE and Marketing Mix Element Studies***

A key area that has seen some research is the effect of the information perceived by consumer from different marketing actions on the development of brand equity and its dimensions. For example, this area of the CBBE literature has researched the influence of price, advertising, and promotional activities.

Yoo et al. (2000) measured the impact of the information perceived by the consumer from different marketing actions on the formation of brand equity and its dimension. Specifically they researched the influence of five marketing mix activities; price, store image, distribution intensity, advertising spending, and price deals, and their relationship with the CBBE dimensions. It was found that brand awareness/associations, perceived quality, and brand loyalty all had positive relationship with brand equity. All five marketing mix activities were found to have a significant relationship with the CBBE dimensions. One key finding that relates to the present study is that the distribution intensity was highly correlated with brand equity.

“Making a product available in more stores affords convenience, time savings, speedy service, and service accessibility, thus increasing customer satisfaction” (Yoo et al., 2000, p. 206). However, it was found that the intensity of the distribution could have a positive or negative impact on brand equity depending on the type of product. High intensity distribution matches convenience goods, but does not fit with speciality goods.

Another study looked at the influence of marketing communications and price promotions on CBBE (Villarejo-Ramos and Sanchez-Franco, 2005). This study found that perceived spending on advertising had a favourable influence on brand equity. In addition, a positive relationship was established between perceived advertising spending on the product and the dimensions of CBBE. Thus, these results indicate that advertising spending as perceived by customers is positively linked to brand equity. This also aligns with the results that Yoo et al. (2000) found.

The effect family has on the formation of brand equity was also measured in conjunction with advertising, price, and promotion (Gil et al., 2007). This study was based on Yoo et al.’s (2000) model to test the influence of the marketing mix elements and family members. This study found that positive information about the brand is provided by family member to young adults, and thus has a positive influence on the formation of brand equity. It was found that the relationships between family and brand awareness and perceived quality were higher than those produced by the information obtained via the marketing mix elements. Thus, it can be speculated that family members have a great influence on the creation of CBBE.

The above studies show that external influences can affect the way a consumer perceives a brand. However, it should be noted that there are no studies that examine the influence personal selling has on the formation of brand equity, only the intensity of distribution a product has.

Before any measures can be chosen to measure CBBE, it needs to be understood how customers form their preferences for certain brands, and how these preferred preferences affect the brands they choose in shops (Kamakura and Russell, 1993). For the purpose of this study, the use of a conceptual model of consumer choice that is

discussed by Tybout and Hauser (1981) and Hauser and Gaskin (1984) has been chosen. It assumes that the customers' perceptions for certain brands are made in response to the actual product itself and psychosocial stimulus e.g. advertising, marketing.

When measuring CBBE it is important to remember that brand equity is a very intricate and multi-faceted concept. Therefore, to ensure that the outcomes of the measuring is true to the company, marketers need to ensure that they are capturing the brand's equity through a set of measures that align themselves with the brands vision (Davis, 2000). If marketing managers don't take this into consideration when deciding what scales to use, they may be measuring parts of the brand and CBBE that will have no relevance to that specific product or brand when looking at the results. It will end up being a waste of time and resources for the company, as they will have all this information about the firm for which they have no use.

As stated in the previous section, several authors have offered useful methods for measuring brand equity (Kamakura and Russell, 1993, Srinivasan, 1979, Swait et al., 1993). However, for this study, four of Aaker's (1991) five dimensions of CBBE have been chosen to measure CBBE for Cookie Time Ltd, as these are the core dimensions of CBBE. Aaker's (1991) conceptualisation has been chosen, as it seems to be the most commonly used model, and has been used by many researchers measuring CBBE. To ensure that the measure of CBBE will truly reflect the strength and value of a brand, several different researchers' scales and methods will be used to measure the four dimensions of CBBE.

### **2.3 Conceptual Model**

The four dimensions being used in this research will be discussed in depth below, along with the most appropriate and effective ways of measuring them (refer to Appendix One for a summary table of measures).

### **2.3.1 Brand Awareness**

Brand awareness is an important component of brand equity and is a key determinant in almost all brand equity models (Na et al., 1999, Aaker, 1991, Keller, 1993). Keller (2003) has defined brand awareness as “the customers’ ability to recall and recognise the brand as reflected by their ability to identify the brand under different conditions and to link the brand name, logo, symbol, and so forth to certain associations in memory” (p.76). It is important to note that the consumer firstly needs to be aware of a brand and product before they are able to associate the brand with a specific product category (Aaker, 1996). As there is a difference between being aware of a brand name, and having the ability to associate it with a certain product (Feldwick, 2002).

Both Aaker (1991) and Keller (1993) have stated that brand awareness is a strong dimension of CBBE as it influences the establishment and power of brand associations in the brand image. It is “ a necessary condition for the creation of a brand image is that a brand node has been established in memory, and the nature of that brand node should affect how easily different kinds of information can become attached to the brand in memory” (Keller, 1993, p. 3). It also is one of the primary points in creating and growing brand value (Konecnik and Gartner, 2007). Therefore, recognition and awareness is important for new, and niche brands.

Brand awareness is made up of a combination of brand recognition and brand recall. Brand recognition shows the “customers’ ability to confirm prior exposure to the brand when given the brand as a cue” (Keller, 1993, p. 3). This means that the customer is able to say whether or not that they have seen or heard of the brand before. Brand recall relates to the “consumers’ ability to retrieve the brand when given the product category, the needs fulfilled by the category, or some other type of probe as a cue” (Keller, 1993, p. 3). According to Rossiter and Percy (1987) the more exposure brands have in store or place of purchase and therefore the place where consumers’ make their purchasing decisions, the more important the brand recognition becomes.

Brand awareness is important when it comes to consumers making purchase decisions. There are three reasons for this. Firstly, it is important that customers think

of your brand when they are thinking about a specific product category. If brand awareness is raised, this increases the possibility that the brand will be considered for purchase and be a part of the consumer's consideration set (Baker et al., 1986). Secondly, if there are no other brand associations, then brand awareness has the capability to influence decisions about brands in the consideration set. Consumers are known for making decisions at the point of sale based on buying only familiar, well-established brands (Jacoby et al., 1977). Thirdly, brand awareness impacts consumer decision making by "influencing the formation and strength of brand associations in the brand image" (Keller, 1993, p. 3).

One conclusion made by Aaker (1996) is that brand recognition is important for new brands on the market, as companies will want customers to know that they have a new product on the market, whereas for well-known brands, brand awareness (i.e. recall and top-of-mind awareness) is more beneficial. He also came up with three levels of brand awareness; brand recognition, the consumers ability to identify a certain brand amongst others, brand recall, the consumers ability to name a brand in a certain category, and top of mind, the first brand that a consumer can recall when given a product category. Thus, Aaker's (1996) ideas match what Rossiter and Percy (1987) stated, as brand recognition comes first as a consumer needs to be aware of a brand, and after use of that brand it is hoped that brand recall and top of mind levels will increase.

Brand awareness is usually the customers' response to the company's marketing communication activities. Therefore, Sharp (1996) concludes that the stronger the marketing activities, the more aware customers are going to be of a brand. Another benefit of brand awareness mentioned by Sharp (1996) is the degree to which a brand can act as a barrier to entry against new brands. The more awareness a brand has, generally the harder it is for new firms to gain similar levels of brand awareness.

As stated earlier, brand awareness can have a positive impact on sales (Sharp, 1996). Brand awareness can positively influence the consumer's preference and how they perceive the quality of the brand. It has been recognised that consumers think that if they have knowledge of a company, then that company must be performing well. It is due to this assumption made by consumers, that companies with a known name must

be delivering a better quality service than a company with a less known name. Awareness is also closely associated with the familiarity. Consumers feel more comfortable and safer buying from companies that they know, as there is less risk for them.

### **2.3.1.1 Measuring Brand Awareness**

Based on Aaker's (1991) three levels of brand awareness, consequently it can be measured in three main ways. The first is through brand recall tests. These have the ability to measure the extent to which a consumer can correctly identify a brand in a given product category or some other type of probe (Keller, 1993). The second are top of mind brand tests, and the third are brand recognition tests (Kim and Kim, 2005, Yoo and Donthu, 2001, Kapferer, 2008).

The second measure tests the consumers brand recall levels, these can be aided or unaided. Aided tests are conducted in personal interviews for example, where the respondents are given a list of brand names from the same product category, and they are asked to point out which ones they are aware of. This test can also be used in unaided tests, such as online interviews, instead of being told the brand names, there will be a list, and the respondents will be asked which they have heard of. An example of a possible non-aided question would be "List three brands that make biscuits in New Zealand?"

The purpose of unaided recall tests or "top of mind" tests (as distinguished above) are to capture if a brand is "top of mind" in a consumer's brand memory. If a brand is top of mind, then it will definitely hold a place in the consumer's consideration set when it comes to making a purchase decision. An example of this question type would be "Write down the name of a biscuit company that first comes to mind". However, this is a much harder measurement technique as it can be directly associated with strong brand positioning (Keller, 1993). Both the recall and "top of mind" brand awareness tests are open-ended questions, and therefore the answers will vary between the respondents.

The third test is measured is using brand recognition tests. This test measures if a consumer can correctly distinguish if they have heard or seen a brand before (Keller, 1993). The purpose of this test is to capture the potential retrievability or availability of a brand in the consumer's mind (Kim and Kim, 2005).

Measuring brand awareness using the techniques above is helpful, as it will obtain results that show how aware the consumers are of the Christmas Cookies brand.

### **2.3.2 Brand Associations**

Brand associations are both a major part of Keller's (1993), and Aaker's (1991) frameworks. It has been suggested by Keller (1993) that valuable brand associations, are strong, unique and favourable and they are believed to contain "the meaning of the brand for the consumer" (Keller, 1993, p. 3). Associations can be anything that a consumer has which "links in memory to a brand" (Aaker, 1991, p. 109).

Brand associations can be formed via many different routes including; the customers contact with the company and its employees, word of mouth publicity, quality of the product, point of purchase displays, advertisements, price at which the brand is sold, and celebrity associations (Aaker, 1991)

Marketers use brand associations to help with extending, differentiating, and positioning their brands, with the main aim of forming positive views and feelings towards their brand. Brand associations consist of all brand-related thoughts, feelings, perceptions, images, experiences, beliefs, and attitudes (Kotler, 1991).

Brand associations can be categorised into two types of associations – product and organisational associations (Chen, 2001). Product associations include both tangible and intangible associations with a brand (Keller, 1993). The tangible associations are the links the customer makes between the function of the product and the brand. If the consumer believes the function of the brand is lower than expected, this will result in the brand having a lower level of brand equity (Lassar et al., 1995). The intangible associations include the symbolic attributes of the product, and the extent to which

they have met the consumers' needs for enhanced self-esteem, personal expression, or for social status (Keller, 1993, De Chernatony and McWilliam, 1989).

Brand associations are important to consumers because they influence their intention to purchase, preferences, likelihood of recommending brand to others, and their willingness to pay a price premium (Low and Lamb Jr, 2000). The associations which consumers have with a brand will strengthen over time due to increased exposure and the more experiences they have (Keller, 1993, Aaker, 1991). Therefore, it is important for marketing managers to provide brands that consumers can connect to, and therefore have positive experiences with.

### **2.3.2.1 Measuring Brand Associations**

There is a lack of agreement about the measurement items for brand associations (Low and Lamb Jr, 2000). There have been a number of different researchers who have chosen to measure some of the different types of brand associations such as attributes, benefits, attitudes, image, perceived brand quality, functions, and personality (Pappu, 2005, Keller, 1993). There are no studies that have examined multidimensional aspects of brand associations, where elements are combined in the same model in order to measure their interrelation (Yoo et al., 2000).

However there have been scales to measure brand associations which are specific for certain products, or categories (Park and Srinivasan, 1994), however these can't be used generally. In order to have associations that could be related to the specific product category, it has been advised by Low and Lamb Jr (2000) that a pre-test be conducted. For example, asking a small group of potential respondents' open-ended questions about the brand. For example, customers can be given free association tasks, which aid customers to describe what the brand means to them in an unregulated manner (Keller, 1993).

Commonly projective techniques such as: sentence completion, picture interpretation, and brand descriptors are used to help the customers answer the "who, what, where, when, why, and how" types of questions about brands (Keller, 1993). The answers

will then be tabulated, with the most frequently mentioned responses being selected for the scale.

Keller (1993) and Aaker (1991) also suggest to adding three other variables “this brand has a long history”, “is differentiated from other brands”, and “is familiar to me”. The scale that would be used to measure these associations would be a 7-point Likert scale with 1 for “strongly disagree” and 7 for “strongly agree”. If the results show a high scale point, then the brand associations must be positive for the consumers. This would be the ideal result for marketing managers to receive, as it shows that the consumers have positive thoughts and feelings about their brand.

Another validated measure of brand associations is through the 5-point attitudinal scale developed by Yoo et al. (2000), where respondents are asked to rate certain statements on the extent to which they agree or disagree with them. Such statements are “Some characteristics of X come to my mind quickly” and “I can quickly recall the symbol or logo of X”.

The results that will be obtained from using the above scales will inform Cookie Time Ltd what their customers associate with their brand; whether that is the cookies, the red bucket, or the friendly personal sellers.

### **2.3.3 Perceived Brand Quality**

Brand quality and a customer’s perceived brand quality are terms that are commonly used interchangeably (Pike et al., 2010). Perceived brand quality is defined by Aaker (1991) as “the customers perception of the overall quality or superiority of a product or service with respect to its intended purpose, relative to alternatives” (p.85). This dimension looks at the consumers’ judgment of the overall excellence of a product and brand.

This dimension gives a sense that brands provide value to the consumer, which in turn gives them a reason to purchase the product (Aaker, 1991). This concept is intangible and is the customers’ subjective quality of the brand, though usually these perceptions

are based on some fundamental dimensions of the product, such as reliability and performance (Zeithaml, 1988). Some benefits of having a brand that is perceived to be of high quality are: the high quality becomes a reason for the customer to buy, gives a company the opportunity to charge a premium price, and use it as a product differentiator, and it enhances the company's ability to create brand extensions (Aaker, 1991). Sethuraman and Cole (1997) have found that perceived quality explicates a substantial amount of the variance of consumer's willingness to pay a price premium. Thus, the ideas behind perceived brand quality suggest that strong brands are able to add value to consumers' decisions at the time of purchase.

Often perceived quality is thought of as a post purchase construct (Holbrook and Corfman, 1985), when it can actually be a pre and post purchase construct. Rust and Oliver (1994) argue that a consumer doesn't need to have an experience with a brand/product to be able to assess the quality of it.

When looking at the perceived quality of a brand, objective qualities are important at the point of decision-making, as it is difficult for consumers to make correct and complete judgments of a products quality. Therefore, consumers tend to heavily rely on using attributes that they connect with quality (Zeithaml, 1988). Price is often used as a key indicator of quality, therefore consumers' usually associate high price with high quality products. This is why Aaker (1991) and Keller (1993) think this dimension of CBBE is important, due to it relating back to the consumer's willingness to pay a price premium for a product or service, provides a reason to buy, and helps in distinguishing the brand from competing brands.

Consumers' perception of quality is highly subjective, as it will vary depending on the individual consumers' perception and judgment. All consumers will have differing perceptions depending on their own needs, preferences, and personalities (Aaker, 1991), thus making it hard to determine and measure. It is important to note that perceived brand quality is different to customer satisfaction as "a customer can be satisfied because he or she has low expectations about the performance level" (Aaker, 1991, p. 86).

### **2.3.3.1 Measuring Perceived Brand Quality**

To measure the perceived quality of the brand, the most common method is by using attitudinal scales, where respondents are asked to rate a statement to the extent they agree/disagree with it. There are a number of different scales that have been used in the past to measure this dimension.

Three different measures used for perceived brand quality has been developed by Keller and Aaker (1992). The first measure looks at the evaluations of the core brand; these are measured looking at three 7-point scales (low quality/high quality, not at all likely to try/very likely to try, inferior product/superior product). Usually this method of measuring perceived brand quality is done by comparison to an alternative brand (Keller and Aaker, 1992).

The second measure calculates the perceived expertise of the company using again three 7-point scales (overall low quality products/ overall high quality products, not at all good at manufacturing/ very good at manufacturing, overall inferior products/ overall superior products) (Keller and Aaker, 1992).

With the last measure looking at the perceived trustworthiness of the company uses three 7-point scales (not trustworthy at all/ very trustworthy, not dependable at all / very dependable, not concerned about customers as at all/ very concerned about customers) (Keller and Aaker, 1992).

Yoo and Donthu (2001) looked to validate Aaker's (1991) conceptualisations of perceived brand quality. When they research this dimension, they looked to measure the consumers subjective judgement of the brands overall excellence. They focussed on measuring the overall quality of the brand, rather than some individual elements that together could measure quality. Perceived brand quality was measure through three attitudinal statements, including "The likelihood that X would be functional is very high", "the likely quality of X is extremely high", and "the likelihood that X is reliable is very high".

Another paper that measured this dimension was Villarejo-Ramos and Sanchez-Franco (2005) who looked at finding what the consumer's opinion is about a products quality and its attributes with regard to its expected performance. This was measured also using attitudinal scales including "Compared to its competitors, I appreciate X brand", "The likelihood that X is reliable is very high", and "X is of high quality".

A recent study of CBBE conducted by Wang and Finn (2012), saw perceived brand quality being measured to gain the consumers overall views of the quality of the brand. Again attitudinal scales were used to measure it, and their study included the following statements; "The quality of the brand is very high", "X is a quality leader within its category", and "I can always count on X brand of (product) for consistent high quality".

Measuring the perceived quality using these scales above is beneficial, as it will obtain results that show what the consumers think about the quality of the brand, and about the quality of the cookies they are consuming. However, it is important to note, that many of the previous scales used to measure this dimension have been looking at brands that have functional products, and are not always transferable between different product categories. Therefore, special attention needs to be paid to adopting a scale suitable for the product category of interest.

#### **2.3.4. Brand Loyalty**

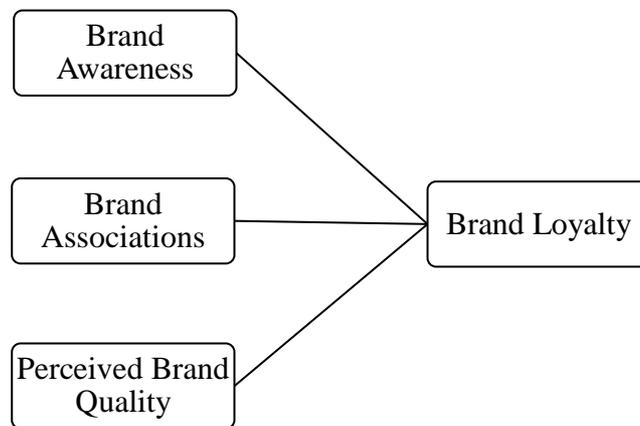
Loyalty has been defined as "repeat purchasing frequency or relative volume of same-brand purchasing" (Oliver, 1999). Newman and Werbel (1973) defined it as those who repurchased a brand, only ever considered that brand, and did no brand-related information seeking. However, both these definitions did not take into consideration the psychological meaning of loyalty. Oliver (1999) has defined it as "a deeply held commitment to re-buy or re-patronize a preferred product/service consistently in the future, thereby causing repetitive same-brand or same brand-set purchasing, despite situational influences and marketing efforts having the potential to cause switching behaviour" (p.34). Oliver's definition will be used for the purpose of this thesis.

According to Aaker (1991) brand loyalty is often viewed as being one of the core components that make up brand equity. It is a measurement of how attached a consumer is to a particular brand, as it shows if the consumer is likely to switch to a competing brand or not. As a consumer's brand loyalty increases, the customer base becomes stronger, and therefore reduces the want or need of consumers to switch to competitor brands. One benefit of measuring brand loyalty in regards to the effect it will have on brand equity, is that having a strong brand loyalty directly means that there will be future sales for the company (Aaker, 1991).

There are two types of brand loyalty: attitudinal and behavioural. Attitudinal loyalty includes "a degree of dispositional commitment in terms of some unique value associated with the brand" (Chaudhuri and Holbrook, 2001, p. 82) and behavioural loyalty is when consumers repeatedly purchase the brand. A study conducted by Chaudhuri and Holbrook (2001) discovered that brand loyalty stems from greater trust in brand reliability. This supports the idea that brands that have higher levels of trust from consumers are linked via both behavioural and attitudinal brand loyalty.

One benefit of having brand loyal customers is the generation of positive word of mouth. This is an effective way of companies being able to save on marketing costs (Aaker, 1991), as it is cheaper to retain current customers than trying to acquire new ones. This is due to the difficulty of getting customers to change from their habitual brands they purchase to trying a new one, as there is no guarantee for the customer that they will like the new brand (Rundle-Thiele and Mackay, 2001).

Brand loyalty is a qualitative dimension of brand equity, and is different from the other brand equity categories, as it is connected closely to the experience the customer has when they use the product/service. Brand loyalty does not exist without a customer purchasing a product/service and using it. Whereas, brand awareness, perceived brand quality, and brand associations can all exist even if a customer has not purchased the brand (Aaker, 1991) (See Figure 2-2). Thus, it can be assumed that the higher the customers' awareness and associations towards a brand, and the level of quality they believe the brand has, the higher their loyalty will be to that brand.



**Figure 2-2 Proposed CBBE Dimension Structure**

The habitual purchases consumers make, suggests that they are satisfied with the current brand they purchase (Rundle-Thiele and Mackay, 2001). This indicated that there is little point in looking at alternative brands when they are already satisfied with the current brand they purchase and use.

The most important idea around brand loyalty is that it belongs to the brand, and not the product. If loyalty were associated to the product, rather than the brand, then brand equity would not exist, as the loyalty would be transferable (Aaker, 1991). This specifically related to the Cookie Time Ltd context, as many of the customers of the Christmas Cookies are also loyal fans of other Cookie Time products, which they purchase throughout the year. Therefore, it is important for marketers to understand this, and to ensure that they are nurturing their brand and not exploiting it.

#### **2.3.4.1 Measuring Brand Loyalty**

As mentioned earlier, marketers can often use brand loyalty and brand equity interchangeably, as they are both used to describe the customer’s attitude towards a brand. Two types of brand loyalty have been suggested; behavioural and attitudinal (Mellens et al., 1995). Behavioural loyalty measures show the brand loyalty in terms

of the actual purchases that are made during an observed period (Mellens et al. (1995). Attitudinal loyalty measures are based on the customers stated preferences and their intentional purchasing decisions. Attitudinal loyalty measures can aid marketers in helping to identify customers who are becoming dissatisfied with a brand, before those customers become disloyal to the brand (Rundle-Thiele and Mackay, 2001).

#### ***2.3.4.1.1 Behavioural Measures of Brand Loyalty***

A common way that behavioural measures of brand loyalty can be calculated is by using the 'Share of Category Requirements' (SCR) (Feldwick, 1996). Generally, consumer panels are used to help determine this, as it is based on records of customers' actual purchasing behaviour. To determine this, the number of purchases of a product over a certain analysis period is examined. This way of measuring brand loyalty shows that the more loyal the customer is, the higher the brand is held in their mind, therefore representing a higher share of category requirements. For example, a customer who purchases eight jars of Nescafe in ten coffee buying occasions is more 'loyal' to the brand in comparison to someone who buys only two jars.

One problem identified with the measure above is when interpreting the customers who have a SCR of 100%. Ehrenberg (1993) pointed out that amongst all the loyal customers there are going to be some light users of the brand as well. This is due to the easiest way to be 100% loyal is to have only purchased the brand once in the period that has been analysed.

The most important limitation of using behavioural measures is that there is no relationship between brand loyalty and repeat buying, thus meaning the results could show a false sense of loyalty (Mellens et al., 1995). Additionally, these results only show the loyalty of the customers past behaviour, thus does not necessarily mean they are any representation of future behaviours.

Measures of behavioural brand loyalty attempt to use consistency of behaviour as a replacement for attitude. However, when a product is influenced by price and

availability this is not always the case (Feldwick, 2002). One way to overcome this problem is to measure the attitudinal measures of brand loyalty to understand other reasons consumers buy your brand, compared with those that just buy the product due to the price. These methods are discussed below.

#### ***2.3.4.1.2 Attitudinal Measures of Brand Loyalty***

Several measures can fit under attitudinal measures that are concerned with common evaluative procedures. These measures tend to be evaluations that are more general. One way of measuring the consumer's loyalty is to use a scale ranging from 'the only one I would ever consider' to 'I would never consider'. Yoo and Donthu (2001) used similar scales to this in their study of CBBE (Kim and Kim, 2005). They adopted and modified the Beatty and Kahle (1988) brand commitment scale. This study looked to measure the relationship between behaviours and attitudes in the consumption of a frequently purchased product, and the customers' commitment to the product.

Any experimental price testing can be used to help measure a consumer's brand loyalty, and is a good form of attitudinal measures as it can use a consumer's willingness to pay a premium price as its scale.

These types of attitudinal measures take the most direct approach in trying to attain the underlying concepts that are being measured. This approach directly measures the effects of brand knowledge on consumer response to marketing for the brand (Keller, 1993). This measure usually focuses on measuring the consumers' preferences (Srinivasan, 1979, Park and Srinivasan, 1994) or utilities (Kamakura and Russell, 1993). Measuring brand loyalty shows the managers how satisfied the consumers are with their product and brand. For example, if a customer is not satisfied with a brand, they in turn will not become loyal to the brand, and will search for other brands to purchase instead (Aaker, 1991).

#### **2.3.5 Summary**

CBBE is an important concept to study when a company wants to measure their brand's equity, as it allows marketing managers to see how productive their marketing programs are and which sub-components of the brand are not completely satisfying to

the consumer. They are able to use this information to make their marketing programs more effective, and to further increase their brand equity from the consumers' perspective. This is important, as it is the consumers purchasing the product and therefore creating future cash flow for the company.

The four dimensions of CBBE along with the main methods of measurement have been discussed above and it is clear that there is no agreement on the best way to measure each dimension. However, there are a few academics scales e.g. (Yoo et al., 2000, Yoo and Donthu, 2001) that are starting to become more universally accepted to measure CBBE.

This research is not only looking at measuring the CBBE of the Cookie Time Christmas Cookies brand, but also to what extent the personal selling influences their perceptions and value of the brand. Thus, the literature on personal selling will be discussed, followed by an evaluation of the different ways to measure the effectiveness of personal selling.

## **2.4 Personal Selling**

Customer satisfaction is regularly considered one of the most important elements to the long-term success of companies. The relationship between the company and its customers is important, as there are benefits for both parties (Pettijohn et al., 2002). Personal sellers have the ability to increase customers' perceptions and attitudes towards a brand via the service they are providing (Williams and Attaway, 1996).

According to Williams and Attaway (1996) the success of a company largely depends on their sales team, as they are the people who are interacting with the customers, and therefore have the most influence on them. Thus, it is important that Cookie Time Ltd employ personal sellers who have good communication and interactive skills. This is an important aspect in forming positive brand associations, increasing the customers' perception of quality, and thus increasing their loyalty to the brand.

An important role of a personal seller is to be able to persuade the buyer that they need the product/service, before closing the sale with an order (Weitz and Bradford, 1999). In personal selling situations it has been shown that buyers are more likely to have a greater sense of loyalty to the sales person, rather than the firm of which the sellers are working for (Anderson and Robertson, 1995, Heide and John, 1988, Macintosh and Lockshin, 1997).

It is important and advantageous for companies to employ sellers that have the ability to be all four roles of selling. As the sellers need to be dynamic and able to change their sales pitch, have different ways of forming relationships, and have different sets of knowledge to ensure that their selling will be effective (Weitz and Bradford, 1999).

Not only is it what the seller is saying that is important in personal selling, but also the non-spoken forms of expressions that can be very effective in sales performance. This can be by simply ensuring the sellers have a tidy appearance, maybe through establishing a dress code, or uniform for the sellers to wear (McElroy et al., 1990), with the Cookie Time Ltd sellers wearing the iconic cookie t-shirt for the duration of the job.

One advantage of personal selling for Cookie Time Ltd is that their personal sellers are employed for the six-week period leading up to Christmas. Therefore, technically they could be classed as part time sales people, which have some benefits from the employer's viewpoint (Wotruba, 1991).

Thus, the emphasis on having dynamic and successful sellers will have positive implications for the company they are working for. Companies need to ensure that their sellers have a range of different selling techniques they can use, a tidy appearance, and enthusiasm for the job, as these will all benefit the company in terms of the number of sales they are getting. This is important as it helps to form brand associations for the customer. When the customers see the sellers wearing their Christmas Cookies t-shirt, many people already know who they are and what they are selling.

## **2.5 Conclusions from the Literature**

Consumer Based Brand Equity (CBBE) has become important since the late 1980's, as the consumers view and perceptions of a brand are of great importance to firms. There have been many studies in this area, but there is still ambiguity around the correct and most effective way of measuring it. Currently there has been little research conducted around CBBE and the influence personal selling has on consumers' perceptions of brands.

As outlined above, brand equity can provide value to a company in at least six different ways (Aaker, 1992). Firstly, it enhances efficiency and effectiveness of marketing programs. Second, brand awareness, brand associations, and perceived quality can all strengthen the loyalty by increasing satisfaction and providing reasons to buy the product. Third, it has the ability to charge a higher price for products. Fourth, it can provide a good base for brand extensions. Fifth, it can provide power in distribution channels, and finally, brand equity assets provide companies with a significant advantage: a barrier that might stop customers from switching brands. Thus, this outlines that brand equity is a vital part of a company, and therefore the need to measure brands equity is important.

The different CBBE dimensions have been discussed in detailed alongside the numerous different ways that academics have measured them. The literature behind personal selling has also been reviewed stating that the sellers are highly influential to the customers and have the power to positively influence their purchasing decisions.

The following chapter outlines why Cookie Time Ltd are interested in finding out the CBBE of their Christmas Cookies brand, with Chapter 4 outlining the exact way it was measured using some of the scales discussed above. It is important to ensure that when choosing the methodology for this study, that the Cookie Time Ltd marketing managers are going to be able to understand the conclusions.

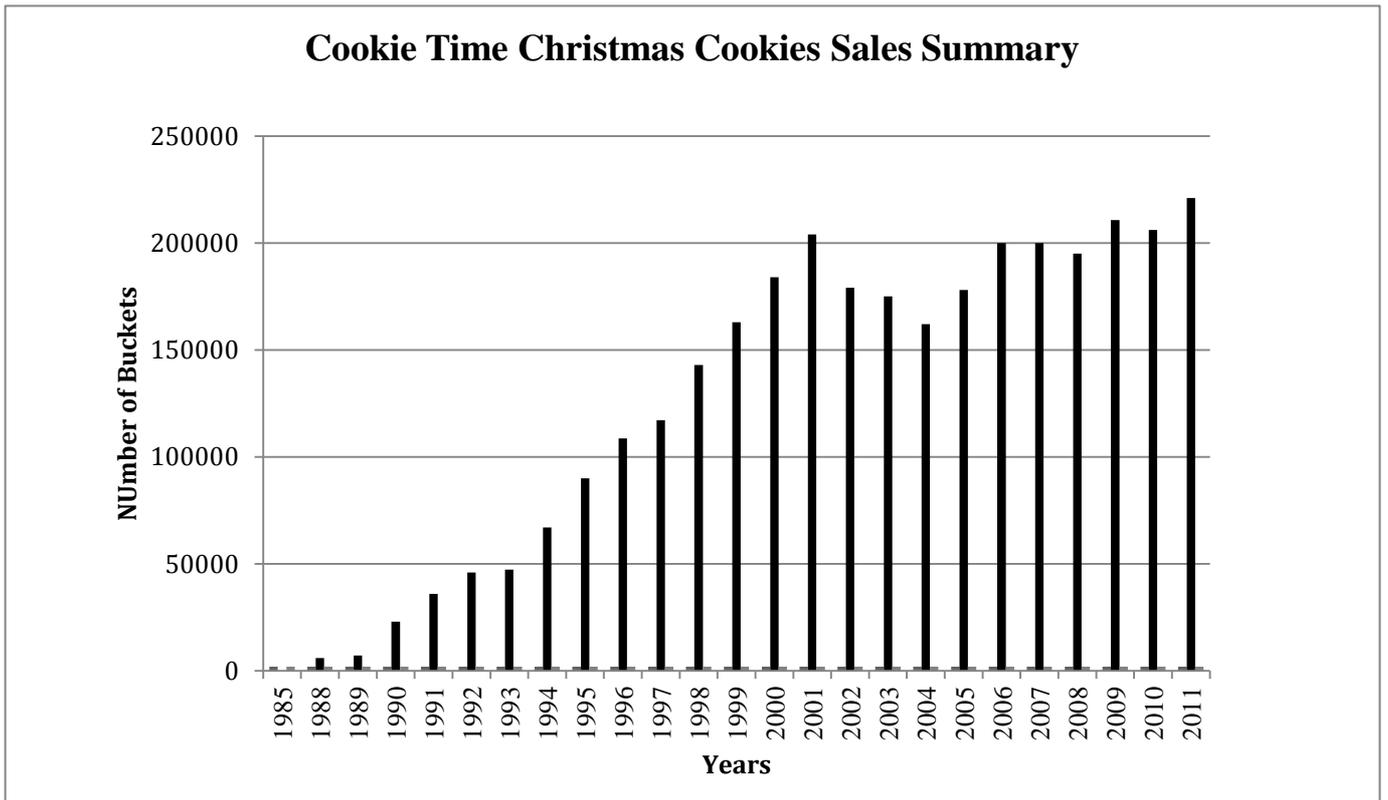
## CHAPTER 3.0

### CONTEXT

Cookie Time Ltd is an entrepreneurial led food company based in Christchurch, New Zealand founded in 1983. They are well known around New Zealand for their large chocolate chunk cookies, Bumper Bars, and One Square Meal products (Mayell, 2012b). The company began in Michael Mayell's one bedroom-flat in 1983, where he baked cookies and then delivered them to Christchurch dairies. Owners and brothers Michael and Guy Mayell both realised that there was a noticeable summer slump in the sales of the cookies, thus the idea of Cookie Time Christmas Cookies was born. Now Christmas Cookies are an iconic Kiwi treat that is synonymous with New Zealand's festive season (Mayell, 2012a).

Every year, Cookie Time Ltd run a six-week Christmas Cookies campaign. The customers are targeted by around 70 university students who have been employed to approach businesses in their designated areas and personally sell buckets of cookies to the employees (Mayell, 2012a).

Over the 27 years that the campaign has been operating, there has been a significant increase in sales (Figure 3.1). Over this period, the sales in Canterbury have increased from 6,000 buckets sold in 1988 sales of 184,000 in 2011. In 2002, there was a drop in sales; this was due to the price increase from \$12 to \$14 per bucket. The best year yet for the company was 2011; selling 221,000 buckets through the Christmas Cookies sellers and an extra 19,000 buckets through the online shop or the retail kiosk in Sylvia Park, Auckland. Both the online shop and pop-up flagship location were new distribution channels in 2011 and seemed to have been successful without affecting any of the personal sellers' sales.



**Figure 3-1 Cookie Time Christmas Cookies Sales Summary**

According to Michael, three main aspects make the campaign successful. Firstly, the cookies are baked fresh for the six weeks leading up to Christmas, therefore this product has a seasonal nature to it, and with it brings limited availability. Secondly, the buckets are more environmentally friendly than plastic packaging, as they can be reused repeatedly (with many customers sending photos to Cookie Time Ltd showing how they use their bucket), and of course, the red buckets are very recognisable as the Christmas Cookies buckets. Thirdly, the sellers themselves are so important to the company, as they are the link in connecting the New Zealand public to Cookie Time Ltd. Thus, the personal sellers help to differentiate the company from other corporate brands, as the company is directly interacting with their customers at a personal level. Together Cookie Time Ltd believes that these three aspects create the total Christmas Cookies experience.

The annual Cookie Time Christmas Cookies campaign is the company’s biggest sales drive each year, and its success is crucial to Cookie Time’s overall annual result. Thus, a lot of emphasis is placed on the university students around the country to

correctly sell the cookies, whilst maintaining the current market position of Cookie Time, without harming the brand. “Everything rides on the Christmas Cookies campaign. If we get it wrong it affects our entire year’s results,” says Booth (Plastics, 2010).

Cookie Time heavily relies on the personal selling technique that is employed annually during the campaign. Up until 2011, this was the only distribution channel used for consumers to buy buckets of cookies. The personal sellers play an important role as they have a direct impact on how the customers view the brand. Therefore, if many customers are having bad experiences with their personal sellers, this could have detrimental impact for the brand. It is hoped that all customers will receive a high level of customer service, thus positively increasing the customers associations, perceived quality, and overall attitude towards the brand.

Up until 2011, Cookie Time Ltd had not done any mass media advertising of the Christmas Cookies campaign, with their main advertising coming from the student sellers themselves. Students are encouraged to be proactive and get in touch with their local newspapers and radio stations to advertise that they are out selling the products and ways in which customers can get in contact with them. However, the sellers are all issued with cookie t-shirts to wear for the duration of the campaign. These t-shirts are a form of walking billboard as many customers see the t-shirts and know exactly whom they are and what they are selling. The combination of the cookie t-shirt and the red sample bucket are excellent marketing tools throughout the campaign.

### **3.1. The Problem**

Cookie Time Ltd places a lot of value on this annual campaign, as it takes the brand directly to the customers, thus acting as both a marketing and sales tool. As a company, the majority of their advertising and promotional activities are conducted via word of mouth, or point of sale promotions. It is clear that the campaign is highly regarded at Cookie Time Ltd as it creates large revenue streams for the company due to the large number of buckets sold annually. Thus, in the six-week period leading up to Christmas, there is heavy reliance on the students to be perfect brand ambassadors.

Cookie Time Ltd believe that by employing fun, bubbly, entrepreneurial students to visit businesses around the country selling the cookies adds great value to the brand.

Cookie Time Ltd are able to work out the financial brand equity for the campaign, however they would like to know how their customers actually value the brand. Specifically what aspects of the campaign the customers like, or changes that could be made to improve the service they are receiving. Specifically Cookie Time Ltd wanted to know the customers' associations with the brand, their perception of the brand's quality, and to what extent do customers value the sellers visiting them at their workplace. By researching these areas of the campaign, it is hoped that findings will provide some useful recommendations for Cookie Time Ltd as to how they can improve the campaign.

This research aims to gain an understanding of the value of Cookie Time Christmas Cookies brand equity by employing the CBBE model and the appropriate mechanisms to measure the dimensions accurately. This problem also suggests that there is a correlation between the personal sellers and the customers' views of the brand. Thus, this relationship will be measured to determine the significance of this relationship.

I have worked alongside the Christmas Cookies Campaign Managers and the Marketing Manager at Cookie Time Ltd, to come up with two research questions. This research aims to help Cookie Time Ltd answer the managerial question, about why their customers value the brand.

*Research Question 1:*                      What are the key aspects of brand equity for the Cookie Time Christmas Cookies brand?

*Research Question 2:*                      How does the personal selling technique impact on customers' perceptions and values of the Cookie Time Christmas Cookies brand?

## **CHAPTER 4.0**

### **METHODOLOGY**

This chapter begins by outlining the research hypotheses that will be tested using a Structural Equation Model (SEM). This is followed by the chosen research design, and questionnaire development, where the chosen scales used to measure the CBBE dimensions and formation of personal selling questions will be discussed. Following this is a discussion on the advantages and disadvantages of using web-based questionnaires. Lastly, the data collection, sample frame, and data analysis techniques are explained.

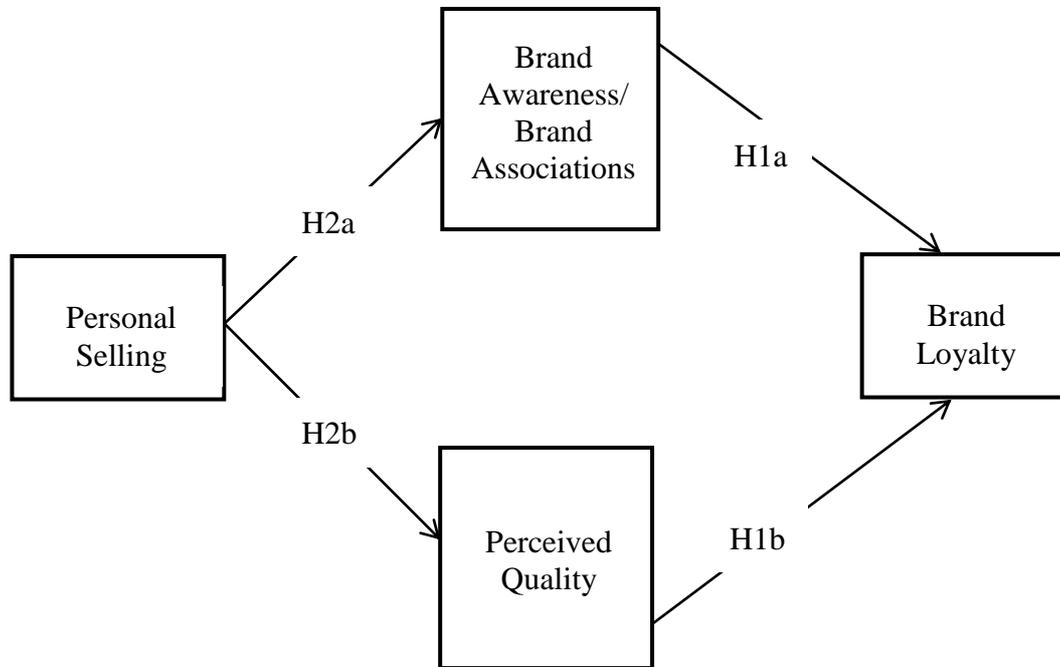
#### **4.1 Research Hypotheses**

This section presents the theoretical model and hypotheses that demonstrate the relationships between personal selling and the CBBE dimensions.

This research proposes that personal selling can affect the development of consumer based brand equity. As stated earlier, the personal sellers have the power to directly impact the consumers' view of the brand, the power to persuade the customers that they need the product, and to create demand for the product (Williams and Attaway, 1996). Thus, the experience the customer has with the seller can directly affect how the customer evaluates the brand, which as a result affects their formation of consumer based brand equity.

The proposed model and hypotheses can be seen in Figure 4-1. This study is based on Aaker's (1991) conceptualisation of brand equity being constructed of four dimensions, which also has been used regularly in research found in the literature (Kim et al., 2003, Pappu, 2005). This model has been based on the conceptual models that were used in Yoo et al.'s (2000) and Gil et al.'s (2007) study where the influence of marketing mix elements were measured as discussed in Chapter 2. In this study the influential element is personal selling.

This model can be split into two sections; the first concerns the relationships between the CBBE dimensions, and the second looks at the effects of personal selling. Both sections will be explained in detail in the following sections.



**Figure 4-1 Structural Model of Hypotheses**

*Relationships between Dimensions of CBBE*

There are three dimensions of CBBE measured in this study, all of which are closely associated to one another. However, brand awareness/associations and perceived quality can exist without a consumer having purchased or consumed the product. Conversely, brand loyalty cannot exist without a purchase and/or consumption of the product (Aaker, 1991). Therefore, it can be looked at in a hierarchical way, with brand awareness/associations and perceived quality preceding brand loyalty.

Firstly, a consumer needs to know about a product and be aware of the brand, with that comes associations about the brand which will either be positive or negative, and these together will influence their level of loyalty to the brand. Secondly, consumers will have perceptions about the quality level of the brand also, which lead onto brand

loyalty. Therefore, the following two hypotheses have been developed to see how strongly both the dimensions load onto the brand loyalty dimension.

*H1a* The more brand awareness/ associations, the higher the brand loyalty.

*H1b* The higher the perception of quality the brand has the higher the brand loyalty.

#### *Effects on Dimensions of CBBE*

As stated earlier, the personal sellers have a great impact on how a relationship forms between a customer and seller (Williams and Attaway, 1996). Therefore, it is proposed that the higher the level of customer service the customer receives the greater impact this is going to have on their awareness of the brand and also the perceived quality of the brand. As previously mentioned, the sellers are involved in a number of different roles whilst selling the product. When they are in each of the different roles, they are not only informing, and therefore making the customer more aware of the product; they are also creating associations for the consumer to the brand. Thus, influencing how the consumer views the brand. Consequently, the following two hypotheses are proposed:

*H2a* The higher the positive experience with the seller, the higher the brand awareness and associations.

*H2b* The higher the positive experience with the seller, the higher the perceived quality of the brand.

These hypotheses will be measured in two ways; by studying the results from the questionnaire and by using a Structural Equation Model (SEM) to test the correlations between these hypotheses.

## **4.2. Research Design**

Appropriate research design development is critical to ensure that the correct choices of data collection, measurements, sampling requirements, and data analysis techniques are chosen (Aaker et al., 2008, Zikimund, 2003).

As stated in the literature review, CBBE can be measured with an outcome at the consumer's perspective using attitudinal scales and open-ended questions for each of the dimensions of CBBE. To ensure that data can be collected from around the country, it has been decided that the best data collection method was to use a web-based questionnaire. The questionnaire was developed to address the research questions and hypotheses, to ensure that the measurements chosen and questions formed would give an overall score for the dimensions of CBBE and would reveal beneficial underlying reasons.

Therefore, scales that were the most appropriate to the Cookie Time context were selected to operationalise the relevant CBBE dimensions (See Appendix Two).

The questionnaire aimed to measure the consumers' perceptions of the Cookie Time Christmas Cookies brand and their opinions on the personal selling technique employed. The chosen measures were formed using Likert scales. This type of scale is particularly useful when measuring consumers' attitudes and behavioural intentions as it allows respondents to express the intensity of their feelings (Churchill Jr, 1979). Thus, all items in the questionnaire were measured using a 5-point Likert scale with 1= strongly disagree and 5= strongly agree. To ensure that there was going to be enough information to be gained from the attitudinal scales, some additional questions were added to the questionnaire to ensure that some underlying reasons could be captured.

The questionnaire was split into two sections; the first section focused on consumers' attitudes and perceptions of the Cookie Time Christmas Cookies brand in relation to the CBBE constructs. The second section addressed consumer experiences with the Christmas Cookies seller and their reasons behind buying this product. Below is a brief discussion of where the chosen scales and questions came from, with a full copy of the questionnaire in Appendix Four.

All the scales that have been chosen for this study have been tested for reliability and validity. There are two important requirements for measurement, where validity indicates that the measurement should be valid or accurate, and reliability indicates

that the outcomes of the measurement should be repeatable (Malhotra and Birks, 1999).

Reliability is commonly assessed using the coefficient Cronbach's Alpha, which has a value range of 0 to 1. For high reliability the coefficient needs a value close to 1, as this shows that there is greater commonality among the items. In other words, the items in the scale indicate the same thing about the construct. It should be noted that reliability and validity was retested on the present study's sample before any data analysis is conducted.

#### *Brand awareness/Brand Associations*

Brand associations and brand awareness are interrelated as associations are made up of a number of ideas, experiences, and facts that help consumers form some knowledge about the brand. Brand awareness becomes a much stronger concept when joined with brand associations, in comparison to solely measuring brand awareness. This is because a consumer could be highly aware of a product, but still have few associations with the brand (Yoo et al., 2000). Thus, the higher the brand awareness and associations, the higher the brand equity is likely to be, as it's a good indicator of commitment and likelihood to buy the brand at the point of purchase. Thus, it was decided that brand awareness and associations should be measured together (Yoo et al., 2000).

To measure this dimension, attitudinal scales and a top of mind test were used. Yoo et al.'s (2000) multi-item scale was chosen. The respondents were asked to recall specific characteristics about the brand, such as the symbol and logo. Sample items include "I know what X looks like" and "I can recognize X among competing brands". The top of mind test was used to interpret the first three aspects of the brand that first came to the consumers mind and to reinforce how aware the consumers are of the brand. Validation of this scale was done in a pre-study to Yoo et al. (2000) study, with the six items in this scale having a Cronbach's Alpha score higher than 0.70, thus reliability is achieved.

### *Brand loyalty*

A multi-item scale used in both Yoo et al. (2000) and Yoo and Donthu (2001) research was adopted to measure the consumers' brand loyalty to the Cookie Time Christmas Cookies brand. This scale attempted to capture the consumers' overall commitment to the brand, and was based on Beatty and Kahle's (1988) work. Sample items include "I consider myself to be loyal to X" and "I will not buy other brands if X is available". Validation of this scale was done in a pre-study to Yoo et al. (2000) study, with the three items in this scale having a Cronbach's Alpha score higher than 0.70, thus reliability is achieved.

### *Perceived Brand Quality*

To measure this dimension one item was adopted from Wang and Finn's (2012) scale "The quality of this brand is very high". A whole existing scale could not be adopted to this dimension of CBBE for the context of this study, as the scale items did not fit with the brand and product being researched in this study. Thus, it was decided that only one item would be chosen to measure perceived brand quality "The quality of this brand is very high". Wang and Finn (2012) tested the variance components of their scales by using a GENOVA, with the one item having high reliability with a G-coefficient above 0.95.

### *Personal Selling Questions*

To measure this aspect of the study, questions were formed based on asking customers to evaluate their experiences with the Christmas Cookies sellers. To ensure that the questions used were going to give insightful answers and expose the customers underlying views of the campaign ten customers from last year's campaign were emailed a list of questions about the personal selling component of the campaign. The questions they were asked are as follows:

1. Do you like the Christmas Cookies campaign due to the personal interaction with the university students selling the cookies?
2. Do you like the sellers visiting you at your workplace?
3. What specifically do you like about them visiting? Do you like getting to sample the cookies before you buy them?

4. Would you purchase the cookies if they were just sold in supermarkets in the weeks leading up to Christmas?
5. Is the personal selling aspect important?
6. Is there anything you would like to see changed in the Cookie Time Christmas Cookies campaign?

All the responses were collated and the main themes and ideas were analysed. The responses provided some excellent information about what they liked about the campaign, and helped form the questions for the questionnaire (See Appendix Three for all the responses).

The questions relating to personal selling in the questionnaire were written specifically for the purpose of this research, and therefore have not been previously validated. These questions will be discussed in Chapter 5.

During the construction of the questionnaire response rate influences were also taken into consideration when developing, because if the completion time was too long, it could have been a deterrent for some respondents (Yu and Cooper, 1983).

#### **4.2.1. Advantages and Disadvantages of Online Questionnaires**

There are several advantages and disadvantages when using online questionnaires, each will be discussed in detail below. The main reasons for choosing this method for this research were because pre-validated scales would be used, there were no geographic barriers, and there was no pressure for the respondents to complete the questionnaire in a set time.

Brace (2004) states there are a number of advantages to using self-completion online questionnaires. Firstly, they allow respondents to complete the questionnaire at their own pace. One of the main advantages of online questionnaires is the simplicity for the respondent. They do not need to worry about the hassle of having to post it back to the researcher. Secondly, it is used as a visual medium, which allows images and messages to be clearer (Taylor, 2000). In addition to these advantages, it is also advantageous when researching sensitive issues, as there is no interviewer, therefore

getting rid of social desirability bias. This allows the respondents to answer with what they honestly want to say, not what is socially acceptable (Brace, 2004). However, there is the potential that this could be an issue in this study, as the questionnaire is being carried out on behalf of Cookie Time Ltd. Thus, customers may answer the questions with answers they think the company wanted to find out.

Online questionnaires are also advantageous in the fact that there are no geographical isolations. This allows the research to be conducted from anywhere, as the researcher does not physically have to be present for the research to take place. They also have the ability to look more appealing for the respondent, which is often too costly for paper questionnaires. With the addition of images throughout the questionnaire, this can help engage the respondent more and is more likely to hold their attention, and to deliver good-quality data throughout their responses. The last major advantage is the restriction on what the respondents can see. With paper questionnaires, the respondents can look ahead and see what questions are coming, and also go back to change their initial answers to the questions. Online questionnaires restrict this, and the respondents can only see one question at a time, and cannot flick between the questions (Brace, 2004). Alongside this, the researcher has the ability to rotate and randomize the lists of answers for the respondents to choose from, which will eliminate the error of respondents choosing the top answer for every question.

Alongside the advantages of online questionnaires, there are also some disadvantages. The major disadvantage is the absence of an interviewer to help clarify the questions and to assist respondents if they misunderstand a question. Another disadvantage is the issue of respondents either not filling in the open-ended questions, or not having the typing ability to answer these questions in depth. However, other research that has been conducted using web-based questionnaires, have shown that although there are some respondents who struggle, the majority of respondents reply to these questions at a high level. This is probably due to the respondent having no time restrictions and therefore being able to take their time to think about the question and how they will answer it (Brace, 2004).

## **4.3 Data Collection**

The following section will illustrate the data collection procedure including pre-testing, sample selection and data organization, and preparation.

### **4.3.1 Pre-Testing**

Before the questionnaire was launched on the Internet and sent out to the respondents, it was pre-tested by a group of university students. The participants were asked to evaluate the questionnaire for clarity, bias, and ambiguity around the questions. They were also asked to comment on the structure, the wording of questions, and the length of time it took them to complete the questionnaire was also recorded (Fowler, 2008, Babbie, 1973, Babbie, 2001).

No students reported difficulties in understanding or answering the questions. There was also an average time of 10 minutes across the group to complete the questionnaire.

### **4.3.2 Sample selection**

In order to understand the CBBE of the Cookie Time Christmas Cookies brand, respondents who had previously engaged with the brand were sought. Cookie Time Ltd allowed access to their customer database, where a simple random sample of 10,000 customers was chosen to be sent the invitation to take part in the study. It was hoped that there would be an even spread of respondents from around the country. The online questionnaire included some short answer questions and attitude statements measured on 5-point Likert scales as discussed earlier.

To encourage a higher response rate, an incentive was offered to participants. Respondents who completed the questionnaire could opt to go into the draw to win one of ten Cookie Time Ltd product gift packs. This incentive was stated in the opening email sent out to the respondents, informing them of how they would be compensated for taking part.

#### ***4.3.2.1 Sample size***

To ensure a sufficient sample size was generated, the questionnaire was sent out to 10,000 Cookie Time Christmas Cookies customers.

Researchers need to determine what the minimum sample size is necessary to attain a valid statistical result with a model before the activation of the data collection (McQuitty, 2004). For the Structural Equation Model (SEM) to produce reliable results, the minimum recommended sample size required is at least 300 samples. This will ensure that the results are valid and inaccurate inferences have not been made (Tabachnick and Fidell, 1996). Thus, a sample size of 300 is needed to ensure that there will be valid model fit measures for the SEM analysis.

#### ***4.3.2.2 Questionnaire Distribution***

After conversing with the marketing manager at Cookie Time Ltd, it was decided that the most viable option for the distribution of the questionnaire was for them to send an email out on behalf of the researchers. It was thought that the email, and consequently the number of responses, would be better received if the customers received an email from a Cookie Time Ltd email address rather than an unknown University of Otago email address.

An email was written to explain to the customers what the research was about, and then they had the choice to participate in the study by clicking on the direct link to the questionnaire. A copy of this email is in Appendix Five.

The questionnaire was hosted on the Internet and was designed using Qualtrics, an online survey software. It was active from the 16<sup>th</sup> to 30<sup>th</sup> October 2012.

## **4.4 Data Analysis Techniques**

This research was comprised of a combination of both quantitative and qualitative data. Both the different types of analyses are described in detail below.

### **4.4.1. Quantitative Data Analysis Techniques**

Before any quantitative data analysis was conducted, the data was cleaned and assessed for normality. After examining the data, it became evident that some of the respondents had opened the questionnaire but had not completed any of the questionnaires. Therefore, these responses were deleted. The raw data was also examined in regards to the qualitative, open-ended responses. Some respondents had answered these questions with “?”, “n/a”, or other miscellaneous words that did not contribute to the study. Therefore, these observations were also removed. Box plots were examined to establish if there were outliers from the other observations. There were a number of outliers for some of the variables; to overcome this, the raw data was reassessed to establish a reason for the outliers. Some of the outliers showed patterns in their answers and did not correspond to a legitimate answer therefore they were removed from the data, for example they ticked “strongly agree” for all the scale items. However, some of the outliers did have what looked to be legitimate answers to the questions, and therefore were retained in the data. In total, 910 respondents completed the questionnaire, after data cleaning 110 were removed, giving a sample size of 800 respondents.

Assessing for normality is important as some of the analysis techniques in this study have normality assumptions. Skewness and Kurtosis distributions were used to test and validate the normality assumption. Skewness shows how symmetrical the distribution is, and kurtosis shows how peaked the data is (Tabachnick and Fidell, 1996). For normality to be assumed, the following values were implemented as the acceptable values. A skewness value should lie between  $\pm 2.00$  and a kurtosis value should lie between  $\pm 3.00$  (Tabachnick and Fidell, 1996).

To assess for normality for a SEM the Likelihood Ratio (LR) values are examined. For normality the LR value must be greater than 1.96 and 2.32 at the  $p < 0.05$  and  $p < 0.01$  levels respectively.

#### **4.4.2 Descriptive Data Statistical Analysis**

After the data had been examined, SPSS (Version 20) was used to conduct the descriptive data analysis. The characteristics of the respondents were looked at, as well as examining for any outliers and violations of the normality assumptions. SPSS was used to produce a profile of the respondents, means, and standard deviations for the CBBE dimensions and their related variables. The results are presented in Chapter 5.

#### **4.4.3 Qualitative Data Analysis Techniques**

Qualitative Data Analysis (QDA) is a series of procedures and processes that can change qualitative data into a form that can be easily explained, understood and interpreted (Braun & Clarke, 2006). The common form of analysis is thematic analysis, which is used “for identifying, analysing and reporting patterns within data” (Braun & Clarke, 2006, p.79). This research was analysed using classic content analysis, as the data was coded for a specific research question. Due to the exploratory nature of this research, the codes that were used were not predetermined before the research was conducted. They were derived from the data when it was analysed, by searching for key terms and themes.

Chapter 5 discusses the main themes found in the qualitative data where quotes from responses will be included. To ensure that the respondents’ anonymity remains, the respondents will be recognised by their respondent number. For example, R13 will represent respondent 13.

#### **4.5 Structural Equation Modelling**

As stated earlier a Structural Equation Modelling (SEM) was used in this research to evaluate the correlations between personal selling and the dimensions of CBBE, using a two-step approach of modelling (Anderson and Gerbing, 1988).

The present study used a Confirmatory Factor Analysis (CFA) to measure the model assessment and a path analysis was used in the SEM to assess the structural model, using a two-step process explained below:

- Step One: Identified and evaluated the CFA measurement model to ensure that there is validity and unidimensionality between the latent variables.
- Step Two: Tested the structural model to observe and assess the relationships between the model constructs.

A confirmatory measurement model (CFA model) helps to show that there are relationships between the measured (observed) variables underlying the latent variables and provides an examination of convergent validity and discriminant validity (Anderson and Gerbing, 1988). In SEM, the rectangles signify observed variables, and the ovals signify latent variables.

#### **4.5.1 Model Evaluation**

##### *Examination of the data and determination of sample size*

A minimum sample size of 300 is required for SEM (Tabachnick and Fidell, 1996). However, Hair et al. (2008) also suggest that one rule of thumb is that the ratio of sample size to free parameters should be at least 5:1. Using this ratio, the sample size of this study should be at least 320. The actual sample size for this study is 800, thus exceeding the requirement of sample size in SEM.

##### *Examination of construct reliability*

Construct reliability is the “degree to which measures are free from error and therefore yield consistent results” (Peter, 1979, p.6). Reliability concerns the extent to which the measurement of the phenomenon provides stable and consistent results (Carmines and Zeller, 1979). Reliability can also be measured by testing the internal consistency. This verification measure is important as it enables scale items to correlate with other scale items which are intended to measure the same variable (Zikimund, 2003). It has been recommended by Churchill Jr (1979) that Cronbach’s alpha is the most popular reliability coefficient. Thus, Cronbach’s alpha coefficient scores were used in this study to determine internal consistency.

### *Examination of construct validity*

Validity refers to the correlation between latent variables and their observed variables. Specifically construct validity is a way of confirming a group of hypotheses generated from a theory based on the constructs. The type of construct validity used in this study is convergent validity. This is “the extent to which it correlates highly with other methods designed to measure the same construct” (Churchill Jr, 1979). It looks at the strength of the standardized factor loadings and their levels of significance. It has been suggested, that the stronger the factor loading with a significant  $p$ -value, the stronger the factor represents the underlying factor construct (Bollen, 1989).

### **4.5.2 Estimation Method Assessment**

An estimation method is essential to precisely calculating the parameters of the model and fit indices. There are many different methods, including maximum likelihood, generalized least squares, weighted least squares, and ordinary least squares. Universally, the most commonly used is the maximum likelihood method (ML). This will be the method used in the present study.

### **4.5.3 Model Fit Assessment**

The main benefit of a CFA is that it can establish how well the specific factor model represents the data by studying the model fit indices. Quantitative analysis generally the model is accepted if the fit indices are good. The two most commonly accepted types of model fit indices are; absolute fit indices, and incremental fit indices (Hoyle and Panter, 1995).

The absolute fit indices show the degree to which the hypothesized model reproduces the covariance matrix (Shah and Goldstein, 2006). The indices for measurement include; chi-square statistics, degrees of freedom, and significance level ( $p$ -value).

There are a number of universal indices that are used for comparison to test the fit of the model. This study will use the normed-fit index (NFI) and the comparative-fit

index (CFI) to assess if the model fits perfectly with the data (Shah and Goldstein, 2006).

#### 4.5.4 Criteria of Unidimensionality, Model Fit, and Construct Validity

Due to there being no one statistical tests that can be assessed to measure if a model has a correct fit, a number of different criteria and goodness of fit indices were used to assess the model fit. The criteria are outlined in Tables 4-1 to 4-3 below.

Name	Abbreviation	Type	Acceptable level in this study
Coefficient alpha	$\alpha$	Unidimensionality	$\alpha \geq 0.70$
Standardised regression weight or factor loading	$\beta$	Unidimensionality	The higher the value the stronger the relationship

**Table 4-1 Criteria of Unidimensionality**

Source: (Hair et al., 2008)

Convergent validity	Acceptable level in this study
Factor loadings	Acceptable if $\beta$ value $> 0.50$ . Good if $\beta$ value $> 0.70$
Covariance	LR $> 1.69$ statistically significant at $p < 0.05$ level LR $> 2.32$ statistically significant at $p < 0.01$ level
Variable reliability	Good if $R^2 > 0.50$ . Moderate if $0.30 < R^2 < 0.50$

**Table 4-2 Criteria of Convergent Validity**

Note:

Variable reliability is the squared multiple correlation (SMC) or  $R^2$  for the observed variables and reflects how well the variables measure the underlying latent trait.

Likelihood Ratio (CR) is defined as estimated/standard errors

Source: (Bollen, 1989, Hair et al., 2008)

Name	Abbreviation	Type of goodness-of-fit	Acceptable level in this study
Chi-Square (with associated degrees of freedom and probability of significant difference)	$\chi^2 (df, p)$	Model fit	$p > 0.05$ (at $\alpha$ equals to 0.05 level)
Relative Chi-Square	$\chi^2/df$ or CMIN/ $df$	Absolute fit and model parsimony	$1.00 < \chi^2/df < 3.00$ is good $1.00 < \chi^2/df < 5.00$ is acceptable
Root Mean Square of Error of Estimation	RMSEA	Absolute fit	RMSEA $\leq 0.06$ is good RMSEA $\leq 0.08$ is moderate RMSEA $\leq 0.10$ is acceptable
Comparative – Fit Index	CFI	Incremental fit	CFI $\geq 0.90$ is good CFI closest to 0.90 is moderate
Normed – Fit Index	NFI	Incremental fit	NFI $\geq 0.90$ is good NFI closest to 0.90 is moderate

**Table 4-3 Criteria of Model Fit**

Note:

$$CFI = (1 - \max(\text{chisq} - df, 0) / (\max(\text{chisq} - df), (\text{chisqn} - df \ n), 0)).$$

NFI = (chi-square for the null model – chi-square for the default model) / chi-square for the null model.

Chisq and chisqn are model chi-square for the given and null models n  $df$  and  $df \ n$  are the corresponding degrees of freedom.

Source :(Hair et al., 2008, Hoyle and Panter, 1995, Schumacker and Lomax, 2004, Shah and Goldstein, 2006)

#### 4.6. Ethical Considerations

The study received ethical approval from the Department of Marketing, University of Otago on the 3<sup>rd</sup> October 2012. The details of the questionnaire were explained in the opening email that Cookie Time Ltd sent out on behalf of the researchers. Anonymity was preserved as much as it could be. The respondents were asked for their postal addresses if they wished to go into the draw to win a Cookie Time Ltd product gift pack. However, this information was only available to the researchers, who did not disclose this information to anyone (See Appendix Six for Ethics Approval Form).

## **CHAPTER 5.0**

### **RESULTS AND DISCUSSION**

This chapter will present and analyse the results of the quantitative and qualitative data. The first section looks at the descriptive analysis of the demographic characteristics of the sample. The second section looks to analyse both the quantitative and qualitative data to address the research questions. Finally, the four hypotheses will be tested using a structural equation model as proposed in Chapter 4.6.

The statistical software, SPSS Version 20.0 and AMOS (Analysis of Moment Structures) Version 20.0 were used to complete all the statistical analysis.

#### **5.1 Assessment of Sample Size, Normality and Internal Consistency**

Before any statistical analysis could be performed, the data needed to be assessed to ensure that there was a substantial sample size, normality within the data and internal consistency. As previously stated in Chapter 4.5.1, after data cleaning a sample size of 800 respondents was yielded.

##### **5.1.1 Data Screening and Determination of Sample Size**

The data was downloaded from Qualtrics into SPSS statistics software, where the data was screened to ensure it had been correctly entered and the distributions of the variables that are being used in the analysis were normal.

##### **5.1.2 Distribution Normality**

Normality was assessed to test all the variables for skewness and kurtosis. For normality to be assumed within the data, the values for skewness and kurtosis need to be within the accepted range of  $\pm 2.00$  and  $\pm 3.00$  respectively (Hair et al., 2008). The results of the descriptive statistics for normality in Table 5-1 show that most of the distributions do not significantly deviate on both the skewness and kurtosis distributions. The three statements that were outside the acceptable values are explained below.

The first statement “I am aware of Cookie Time Christmas Cookies” has a -2.221 value for skewness, this shows that there are fewer cases less than the mean, and the data is skewed to the right, with a longer tail on the left. The second statement “I can recognize Cookie Time Christmas Cookies among other competing brands” was outside the accepted range for kurtosis with a value of 3.263. This value is telling us that there are more cases closer to the mean. For both these statements, it is expected the values to be higher than the accepted level as the questionnaire was sent out to previous Cookie Time Christmas Cookies customers and therefore all respondents should be aware of the Christmas Cookies brand and be able to recognize it amongst competitors. The last statement was the personal selling question, “How satisfied were you with your experience with the personal seller”, which had a kurtosis value of 3.619. This value tells us that there were more cases closer to the mean. Thus, indicating that the level of customer satisfaction was high, therefore the value is slightly positively skewed. It is for these reasons that the statistical analyses continued as normal.

The overall distributions seemed to be normal and did not violate the assumption of multivariate normality of SEM.

<b>Statement/Question</b>	<b>Mean</b>	<b>Standard Deviation</b>	<b>Skewness</b>	<b>Kurtosis</b>
I am aware of the Cookie Time Christmas Cookies	4.87	0.335	-2.221	2.941
Some characteristics of Cookie Time Christmas Cookies come to my mind quickly	4.45	0.602	-0.845	0.261
I can recognize Cookie Time Christmas Cookies among competing brands	4.63	0.556	-1.558	3.263
I know what the Cookie Time Christmas Cookies brand looks like	4.59	0.627	-1.581	2.956
I can quickly recall the symbol or logo of the Cookie Time Christmas Cookies	3.96	0.960	-0.660	-0.241
I have difficulty in imagining Cookie Time Christmas Cookies in my mind	1.71	0.749	-1.277	1.226
I consider myself to be loyal to Cookie Time Christmas Cookies	3.95	0.890	-0.481	-0.366
Cookie Time Christmas Cookies would be my first choice	4.04	0.875	-0.580	-0.247
I will not buy other brands if Cookie Time Christmas Cookies are available	3.67	1.092	-0.311	-0.818
The quality of this brand is very high	4.44	0.617	-0.871	1.203
How important is the personal selling aspect?	3.64	0.889	-0.696	1.031
How satisfied were you with your experience with the personal seller?	4.47	0.726	-1.565	3.619
Customer satisfaction scale	5.16	2.24	0.212	0.635

**Table 5-1 Descriptive Statistics of Normality**

### 5.1.3 Assessment of Construct Reliability and Validity

The scales used in this study were evaluated using a Cronbach's alpha coefficient. The closer the value coefficient is to 1 indicates greater reliability, which means that there is a greater commonality among the items. The acceptable value of the coefficient is 0.7 (Hair et al., 2008).

The values of the Cronbach's alphas for brand awareness/associations (0.778), and brand loyalty (0.858) were above the acceptable level (see Table 5-2). Therefore, this shows that there is sufficient reliability among the constructs. A Cronbach's alpha could not be measured for the perceived brand quality dimension of CBBE, as there was only one item on this scale. The Cronbach's alpha coefficient for personal selling was not above 0.7; however the items were employed as  $\alpha$  was still  $> 0.5$  (Hair et al., 2008).

<b>CBBE Dimension</b>	<b>Number of Items</b>	<b>Cronbach's Alpha (<math>\alpha</math>)</b>
Brand Awareness/Associations	6	0.778
Brand Loyalty	3	0.858
Perceived Brand Quality	1	-
Personal Selling	3	0.527

**Table 5-2 Cronbach's Alpha for CBBE Dimensions**

*Note:* Cronbach's Alpha based on standardized item

## 5.2 Demographic Characteristics of Sample Respondents

The majority of respondents to the questionnaire were female (81.1%), and aged between 25 and 54 years of age (see Table 5-3). This distribution is unsurprising given that women in New Zealand are generally the main purchasers of groceries for their families, and tend also to do the Christmas gifts shopping for family members and friends (Laroche et al., 2000).

In terms of the highest education level of respondents, the results showed that nearly half of the respondents (46%) had secondary school qualifications. There were equal

numbers of respondents with polytechnic degrees (24.6%) as university undergraduate degrees (22.6%).

There was an even spread of respondents from around New Zealand, with all regions being represented. As predicted the main centres Auckland, Wellington, and Christchurch had the most responses to the questionnaire, with 71.9% of respondents living in these cities. The distribution of the regions aligns itself to the number of sales that the regions have when comparing to the regional sales summary (see Table 3-1 in Chapter 3).

In addition, 38% of respondents declared their annual personal income to be between \$40,000 and \$59,999, with the average personal income being approximately \$50,000 per annum.

<b>Characteristics</b>	<b>Category</b>	<b>Total (N=804)</b>	<b>Percentage (%)</b>
Gender	Male	151	18.9
	Female	649	81.1
Age	Under 18	1	0.1
	18-24	78	9.8
	25-34	235	29.4
	35-44	209	26.1
	45-54	164	20.5
	55-64	105	13.1
	Over 65	8	1.0
Education	Less than Secondary School	5	0.6
	Secondary School	368	46.0
	Polytechnic Degree	197	24.6
	University Undergraduate Degree	181	22.6
	Post Graduate Degree (Master or Doctoral Degree)	49	6.1
Income	\$0 - \$9,999	10	1.2
	\$10,000 - \$19,999	12	1.5

	\$20,000 - \$29,999	38	4.7
	\$30,000 - \$39,999	102	12.8
	\$40,000 - \$49,999	176	22.0
	\$50,000 - \$59,999	128	16.0
	\$60,000 - \$69,999	88	10.9
	\$70,000 +	145	18.1
	Decline to answer	101	12.6
Region	Northland	11	1.4
	Auckland	267	33.4
	Waikato	20	2.5
	Bay of Plenty	19	2.4
	Gisborne	4	0.5
	Hawkes Bay	25	3.1
	Taranaki	7	0.9
	Manawatu-Whanganui	30	3.8
	Wellington	148	18.5
	Nelson	18	2.2
	Marlborough	11	1.4
	West Coast	4	0.5
	Canterbury	160	20.0
	Otago	45	5.6
Southland	31	3.9	

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**Table 5-3 Demographic Characteristics of Respondents**

From these responses, the typical Cookie Time Christmas Cookies customer can be profiled as a woman, middle aged (25-54 years of age), with a minimum a secondary school education, and earning \$40,000 to \$59,999 per annum.

### **5.3 CBBE Dimension Results and Discussion**

Results for brand awareness/associations, perceived brand quality, and brand loyalty will be discussed below for both the quantitative and qualitative data. The research questions below were kept in mind during the analysis processes to ensure they could be answered in a way that Cookie Time marketing managers would find the most beneficial. The results were also reviewed in comparison to the literature to see if any of the results could add to the academic theory on CBBE.

1. What are the key aspects of brand equity for the Cookie Time Christmas Cookies brand?
2. How does the personal selling technique impact on customers' perceptions and values of the Cookie Time Christmas Cookies brand?

### 5.3.1 Brand Awareness/Associations

The overall mean value for the brand awareness/associations (BAS) dimension was 4.04 out of a possible 5.0 (see Table 5-4). This indicates that the respondents are all very aware of the Cookie Time Christmas Cookies brand. It was expected that this would have a relatively high mean value, as the questionnaire was sent out to previous Cookie Time Christmas Cookies customers, thus, they were all aware of the brand before the study.

The item BAS1 had the highest mean score of 4.5 with a small standard deviation (0.34), meaning that most of the data was centred close to the mean. Items BAS2, BAS3, and BAS4 also had high mean values. This shows that the customers know what the brand looks like, and some characteristics of the brand come to mind easily.

Code	Brand Awareness/Brand Association Attributes	Mean Value	Standard Deviation ( $\sigma$ )
BAS1	I am aware of Cookie Time Christmas Cookies	4.87	0.34
BAS2	Some Characteristics of Cookie Time Christmas Cookies come to my mind quickly	4.49	0.6
BAS3	I can quickly recognise Cookie Time Christmas Cookies among competing brands	4.63	0.57
BAS4	I know what the Cookie Time Christmas Cookies brand looks like	4.59	0.63
BAS5	I can quickly recall the symbol or logo for Cookie Time Christmas Cookies	3.96	0.96
BAS6	I have difficulty in imagining Cookie Time Christmas Cookies in my mind	1.71	0.98
<b>Overall Mean Value</b>		<b>4.04</b>	

**Table 5-4 Mean Values for Brand Awareness/Associations**

Item BAS5 “I can quickly recall the symbol or logo for Cookie Time Christmas Cookies” had a much lower mean (3.96) than the other items in the scale. This result reveals that the Christmas Cookies logo is not the easiest to recall, but from the results from the top of mind awareness question discussed below, it is clear that other attributes of the brand come to mind easily.

The final item in the scale (BAS6) “I have difficulty in imagining Cookie Time Christmas Cookies in my mind” was reverse coded to ensure that respondents were not randomly choosing their answers to the statements. The mean value 1.71 reveals that the respondents believe that brand images and attributes they associate with the brand are not hard to think of.

A qualitative question was also used to measure the respondents associations with the Christmas Cookies brand. A “top of mind” open-ended question asked the respondents to **please list the first three things that come to mind when you think about the Cookie Time Christmas Cookies brand.** The results from this question showed a range of different attributes and aspects of the product and brand that the customers associate with it, where the results were coded into 13 themes (see Table 5-5 and Appendix Seven for a full list of themes).

Table 5-5 shows that; product attributes (26%), flavours (16%), and Christmas time (16%) are the most common responses to the top three things that come to the respondents’ minds when thinking about the brand. These associations help to represent the meaning of the brand for the consumer.

Themes	Examples of Responses	Number of Responses	Percentage (%)
Product Attributes	Bite sized, mini, delicious, yummy	632	26
Flavours	Apricot chocolate, chocolate chip, cranberry white chocolate	393	16
Christmas Time	Christmas, xmas, gifts, presents,	373	16
Buckets	Buckets, handy containers, red bucket	325	13
Buying Experience	Convenience, handy, personal sales, brought at work	173	7
Cookie Time	Cookie Monster, the brand,	115	5
Company and Brand	Cookie Time, charity		
Family	Children, kids, family, sharing	74	3
Cookies	Biscuits, cookies	65	3
Overall Quality	Quality, reliable, consistent quality	62	3
Treat	Treat, special, afternoon snacks	61	3
Summer Time	Holidays, summer, camping	48	2
Feelings	Fun, fun for kids, novelty	46	2
Miscellaneous	Rainbow, comfort, old job	35	2

**Table 5-5 Top of Mind Themes**

The top three attributes found in the results were uniquely associated to the Christmas Cookies brand. This aligns with what Keller (1993) and Wood (2000) suggested about associations the customers have with the brand are unique, strong and favourable, thus helping to create a positive image for the customers. The iconic red bucket was found to be the most common association consumers have with the brand being mentioned 325 times. The three flavours of the cookies were the next strongest association consumers have with the brand, with everyone having their favourite, whether it be the original chocolate chip, apricot chocolate or the new flavour introduced in 2011, cranberry and white chocolate, closely followed by the connection of the product having “*become a traditional Christmas purchase*” (R234).

*“The individual people who call at my place of work change from year to year, but are always instantly recognisable because of the Cookie Time Christmas Cookies brand”*(R667).

Many of the students employed to sell the cookies only work for one campaign, thus reducing the possibility for customers to form a rapport with one person who visits them annually. However, this comment communicates that the yearly change in sellers has no hindrance on the customers associations with the brand.

In conclusion, generally the customers are highly aware, and have positive associations with the brand, which are strengthened by the interaction with the personal sellers. Cookie Time Ltd needs to ensure that their sellers are doing the best job they can to continue these positive associations the customers have with the brand.

### **5.3.2 Perceived Brand Quality**

Only one item was used to measure the perceived quality of the Christmas Cookies brand, the mean value of this item 4.43 ( $\sigma=0.62$ ), indicates that the respondents' perception of the quality of the brand is very high. Perceived quality is a subjective concept as it is dependent on how the respondents interpret the word “quality”, and what it means to them (Zeithaml, 1988) therefore we sought to understand this by asking some open ended questions.

Based on some of the responses to the open-ended question: **please list the reasons why you purchase the Cookie Time Christmas Cookies brand**, it has become apparent that there were three key dimensions of quality; the cookies and the customer service.

The quality of the cookies was mentioned in a number of the responses, *“I love the taste and the quality of the cookies - they don't crumble easily”* (R47), and *“I know the*

*quality & freshness will be good*” (R326). The other key finding was the quality of the customer service they receive, as it is:

*"It's always good to chat to the person selling them - I like the interaction. I also like the personality behind the brand; the people selling them are always good value! If it wasn't for them coming to the work place to sell them, I probably wouldn't buy them. I feel more obliged to buy them each year if I have chatted to the person selling them"*  
(R257).

This finding shows that the quality of the customer service is high as this is what they expect.

Nonetheless, whether the respondents have viewed the term “quality” to be associated with the actual product, the service they receive, or the overall brand, it is clear that the Cookie Time Christmas Cookies customers associated high quality with all aspects of the brand. Cookie Time Ltd needs to ensure that this level of quality is maintained through all the facets of the brand.

### **5.3.3 Brand Loyalty**

The mean scores of the three items used to measure brand loyalty show an overall mean value of 3.88 out of 5.0. The standard deviations for these items are relatively large, indicating that there was a bigger spread of data around the mean.

Item 3 (BLO3) “I will not buy other brands if Cookie Time Christmas Cookies aren’t available” had a lower mean value (3.67) and a greater spread of responses around the mean ( $\sigma=1.09$ ), indicating that not every consumer is 100% brand loyal.

Code	Brand Loyalty	Mean Value	Standard Deviation ( $\sigma$ )
BLO1	I consider myself to be loyal to Cookie Time Christmas Cookies	3.95	0.89
BLO2	Cookie Time Christmas Cookies would be my first choice	4.04	0.87
BLO3	I will not buy other brands if Cookie Time Christmas Cookies aren't available	3.67	1.09
	<b>Overall Mean Value</b>	<b>3.88</b>	

**Table 5-6 Mean Values for Brand Loyalty**

Customers can have both attitudinal and behavioural loyalty towards a brand (Mellens et al., 1995). Their attitudinal loyalty is demonstrated through the mean values in Table 5-6. In addition to measuring the customers' loyalty to the brand through the attitudinal scales discussed above, it can be revealed by the responses to the open-ended question **please list the reasons why you purchase the Cookie Time Christmas Cookies brand**. Some customers purchase because:

*“it has become a tradition in my family to have them - have done so for the last 10 years - Christmas just isn't Christmas without those buckets of cookies” (R497).*

Thus, these customers are loyal to the brand to ensure they have their Christmas traditions during the festive season.

The findings support that the Christmas Cookies brand has some extremely loyal customers. An excellent example of this is:

*“Cookie Time Christmas Cookies is consistently excellent and I have been loyally buying them for years. And, I will continue to do so as long as I have the opportunity. I would u-turn in a busy road and follow this shirt's wearer to place my Cookie Time Christmas Cookies order in time. I would crawl through brambles to place my standing order of 3 buckets of cookies - each and every year” (R667).*

This indicates the lengths that some customers will go to ensure that they get their Christmas Cookies.

However, in contrast to this, some customers feel that Cookie Time Ltd does not value their loyalty of the years to the brand. For example, one respondent has bought:

*“30+ [buckets of cookies] each year for the past 6-8 years.*

*Yet, there is no loyalty from your brand to us, your customer. No special deal for bulk purchase, no incentive to continue to purchase. As a result, we will no longer purchase the product” (567).*

Thus, these results suggest that the loyalty between the Christmas Cookies brand and its consumers is relatively high. Due to the majority of consumers associating positive thoughts with the brand, this proposes that people who are happy with the product, or have positive emotional ties with the brand, should prompt greater behavioural and attitudinal loyalty. This finding aligns itself with Dick and Basu (1994) finding that there is a relationship between a customer’s prior experience with a brand and its influence on their future purchases decisions and behaviours.

#### **5.3.4 Overall Consumer Based Brand Equity**

Although, there were no scales used in the questionnaire to measure an overall CBBE score, the means for the three dimensions studied have been totalled; giving the Cookie Time Christmas Cookies an overall CBBE score of 12.35 out of a possible 15 (see Table 5-7). This method of working out the mean overall CBBE score was also used by Kim and Kim (2004) in their study.

<b>Codes</b>	<b>CBBE Dimension</b>	<b>Mean Value</b>	<b>Standard Deviation (<math>\sigma</math>)</b>
BAS1 -BAS6	Brand Awareness/Associations	4.04	1.08
PBQ1	Perceived Brand Quality	4.43	0.62
BLO1- BLO3	Brand Loyalty	3.88	0.16
	Overall CBBE	<b>12.35</b>	

**Table 5-7 Overall Mean Value for CBBE Dimensions**

From the results addressed above, the consensus around the Christmas Cookies brand is very strong. This is explained by the mean values for each of the dimensions (See Table 5-7). The consumers have high levels of awareness and positive associations, and high perceptions of the quality of the brand. This consequently leads to a relatively high level of brand loyalty. A clear finding that arose in the results was that the personal sellers have some influence on how the consumers perceive the brand. Thus, the results from the second section of the questionnaire outlining the importance of the personal selling and the customers satisfaction levels of the service they received will be discussed below.

#### **5.4 Personal Selling Analysis**

A mix of both open and closed questions were used to obtain the consumers feelings and underlying thoughts about the personal selling aspect of the brand. A textual analysis of the open-ended questions was carried out to explore if personal selling is an important aspect of the Cookie Time Christmas Cookies brand, and how satisfied customers are with their experience with the sellers. The data was coded in order to assign and combine comments into representative themes. Whilst the data was being coded, the research question: **How does the personal selling technique influence customers' perception and value of the Cookie Time Christmas Cookies brand?** was kept in mind to ensure that this question was answered.

The respondents were asked the closed question **why do you like the Cookie Time Christmas Cookies brand?** They were given a list of ten options to choose from, where they could tick as many that applied to them (See Table 5-8). The responses reveal that the most popular answer was the convenience of the seller visiting their workplace (87%). This indicates that the consumers like the personal selling aspect of the campaign. This was closely followed by the quality of the cookies where 81% of respondents chose this option. However, interestingly the personal interaction scored the lowest responses (29%), even though it was found to be a dominant theme that emerged in the open-ended questions. A number of the other reasons for liking the Christmas Cookies brand below emerge as themes in the open-ended questions on personal selling; these are discussed later in the chapter.

<b>Reasons</b>	<b>Number of Responses</b>	<b>Percentage of respondents (%)</b>
Convenience of the seller coming to your workplace	699	87
Quality of the cookies	644	81
They are a Christmas tradition	533	67
Supporting a New Zealand company	489	61
They make good Christmas presents	475	60
Supporting the Cookie Time Charitable Trust	388	49
It is not Christmas without them	288	36
Free samples	254	32
Supporting a university student	253	32
The personal interaction	230	29

**Table 5-8 Reasons Why Customers Like the Christmas Cookies Brand**

Two of the reasons as to why customers like the Christmas Cookies brand; “supporting the Cookie Time Charitable Trust”, and “Supporting a university student”, received little recognition throughout the questionnaire. Although almost half (49%) of respondents claimed that they purchase to support the Cookie Time Charitable Trust, not many responses in the open ended question placed much emphasis on this area of the campaign. This was the same scenario for the “supporting

a university student” reason, with just over a quarter (32%) of respondents chose this reason. This is an interesting finding, as both reasons are key areas of the campaign that aid in differentiating the brand from others. Therefore, Cookie Time Ltd may want to place more emphasis on these two selling points in the next campaign.

#### **5.4.1 Importance of Personal Selling**

The mean value for the question how important is the personal selling aspect to you is 3.63 ( $\sigma=0.89$ ), with 45% of respondents choosing it to be “very important”. This indicates that the customers do value the importance of the personal sellers visiting them at their workplace.

When asked whether **the option to purchase at your workplace is an important aspect of your decision to buy**, 87% of respondents agreed. This indicates that the majority of Cookie Time Christmas Cookies do like the convenience of the sellers visiting them at work. This was supported in the qualitative data when the respondents were asked **why the personal selling aspect is important/not important to you**. Comments received included *“because the seller comes to our office and we personally get to put our order in and we receive them on the date that is specified”* (R120) and *“They come to my business meaning I don’t have to go anywhere to buy them”* (R322).

The respondents were also asked which distribution channel they would most prefer to purchase the product, 81% chose via a Cookie Time Christmas Cookies seller visiting their work place. This reinforces the answer to the above question, and shows Cookie Time Ltd that their personal sellers are an important aspect in consumers purchase behaviour and is the most preferred distribution channel.

The other suggestions made by the respondents were to sell the cookies in supermarkets, however, there was mixed views about this option. Some respondents said that it would be convenient to purchase them at the supermarket whilst doing their other grocery shopping. Whereas other customers thought that, it would not be a good idea, *“as they would get lost in the crowd of all the other Christmas things available to buy at the supermarket”* (R139). Customers also revealed that the *“personal selling aspect is a great differentiator from other brands”* (R100), therefore

this could be damaged if Cookie Time Ltd were to use supermarkets as a distribution channel.

To code the qualitative data the responses to the questions were read with an eye for themes, patterns, and categories. The initial read through was to become familiar with the responses and to get familiar with the data. From this a set of codes from the main ideas was developed, alongside themes that were expected based on prior knowledge. The data was reread and codes were linked to the customers' responses. The codes were then re-analysed where some of the smaller and more detailed themes were grouped together to form broader themes.

In response to the question please briefly describe why the personal selling aspect is important/not important to you, using the method above, three main themes emerged interaction, convenience, and not important; each are now discussed in turn.

#### **5.4.1.1 Interaction**

The results identified face-to-face interaction as one of the most important benefits of personal selling, with one response stating *“this world has become so IT savvy it is refreshing to have a ‘person’ face to face with you selling something familiar”* (R696). Thus, the personal sellers are a pleasant change to the customers' typical workdays. Therefore this reveals that there are benefits to Cookie Time Ltd having their sellers out on the street visiting local businesses, it is a great way of differentiating their brand from others selling products at Christmas time. One respondent clearly supported this by saying:

*“The personal selling aspect is a great differentiator from other brands we have seen. It allows a custom order to be placed, a good conversation and also gives an indication of the seller's efforts to get out there and improve sales”* (R100).

Another positive flow on from the interaction between seller and customers is the friendly customer service that the customers receive. They specifically like that the sellers are there to answer any queries they may have:

*“It makes me smile more buying from a person than online. Seeing them go around doing what seems to be a fun job makes my day and interaction makes it feel like Christmas is approaching” (R92).*

This illustrates that the customers appreciate the interaction they have with the sellers. Customers saying that they would not purchase the product if the sellers were not friendly and helpful reinforced the high importance of customer service. A few respondents even went as far as to say, *“If the person selling is not friendly etc. then even though we like the cookies we will not buy them” (R38)*. This finding aligns itself with the literature, where buyers are more likely to have a greater sense of loyalty to the sales person, rather than the firm for which the sellers are working for (Anderson and Robertson, 1995, Heide and John, 1988, Macintosh and Lockshin, 1997). Thus, Cookie Time Ltd needs to ensure that their sellers are friendly and have excellent customer service skills.

These findings raise the issues of the importance of employing staff whose values and personality align with the company's. As one customer stated:

*“I like the personality behind the brand; the people selling them are always good value! ... I feel more obliged to buy them each year if I have chatted to the person selling them” (R257).*

If sellers are not enthusiastic about the product they are selling, and are not enjoying their job, this could in turn have detrimental impact to the brand, and therefore decrease the value of the brand from the consumer's point of view. Another benefit of the interaction that was found is that *“being a NZ brand, it gives you the impression that the company does care about its customers” (R140)* and therefore is not another large corporation that is only interested in their profit margins.

The results also revealed that:

*“A person's selling approach can definitely affect the purchasing aspect. I dislike a forceful sales person, even if you had intended to purchase the biscuits, the approach and attitude of the sales person can greatly determine the sale or not” (R478).*

Thus, the sellers need to ensure that their sales pitch is not abrupt and forceful, as this could hinder their sales figures. The sellers are equipped with an extra-large bucket of sample cookies, thus they *“tempts you with offering you cookies to taste”* (R117). Accordingly, the sample cookies act as a great persuasion tool, *“the free samples are always good as well - a tempter for the whole bucket”* (R37), with customers feeling guilty if they have tried the cookies and not placed an order, *“they offer samples of your fine cookies - if I hesitate ... they insist I try a sample”* (R667).

These findings show that the combination of interaction and friendly customer service are easy but highly effective ways of making sales. By cold calling into businesses, having the samples, and employing staff with bubbly personalities’ the customers feel more inclined to purchase as opposed to an order form being left at the reception. This is beneficial to any company who uses personal selling as a distribution channel. The higher the satisfaction level of the service received the more likely the customer is to become loyal to that brand, as suggested by Pettijohn et al. (2002).

As discussed above, the personal interaction with the sellers is a key theme to this study. However, when these results are contrasted to the reasons customers like the Christmas Cookies brand (See Table 5-8), the personal interaction option was the least common with just under a quarter (19%) of respondents choosing it. These findings definitely show that the personal interaction plays a major role in their decision to buy the Christmas Cookies.

#### **5.4.1.2 Convenience**

The results suggest that convenience played an important role in the customers’ decision-making process. Customers like that the students visit them at their workplace, either take their order or leave a fax order form, and then return later to deliver the pre-ordered cookies, thus, making it very easy for the customers to purchase.

Christmas time is a busy time of the year for most families and businesses leading up to the holiday season. Therefore, some people find it hard find time to purchase

presents and organize food for the festive season. Therefore, convenience is a major motivation to purchase because by:

*“Having the product delivered to work is important to me because it is one extra thing I don’t have to think about at a busy time of year” (R377).*

The main findings are that if the seller did not visit the customers at their workplace, many people would not go out of their way to purchase them otherwise. This reinforces Weitz and Bradford (1999) idea that personal selling is important as the sellers have the ability to stimulate demand for the products they are selling. Another benefit of the sellers visiting the customers at their workplace is that consumers are always on the lookout for ways to make their busy lives easier. Thus, the option of the product being delivered to work is important:

*“Because if I had to go out to find/purchase them at the shops, I probably would not bother, too busy around Christmas time, they are an ‘extra’ not a necessity, hence probably would think, ah – won’t worry this year” (R543).*

The sellers also remind the customers that Christmas is on its way and some of the respondents like this as it’s *“not something I’d think of buying until the visit of the seller reminds me” (R89)*. If the sellers did not visit the local businesses, there would be little or no stimulation on the customers to purchase the cookies.

Due to the cookies only being available to the public in the six-week period leading up to Christmas, there is a sense of limited availability to the product. Thus, customers do not want to *“risk leaving it to the last minute and missing out” (R507)*, so the friendly reminder of the seller calling into their workplace will ensure they get to purchase some cookies before they sell out.

#### **5.4.1.3 Not Important**

The last theme was that some customers no longer see the importance of personal selling. However, the number of those customers who do not think the personal

selling is important is greatly overpowered by the number of customers who believe that this aspect of the campaign holds some value. Those who believe that it is no longer important did not show any negativity towards the selling style; however, what they were most concerned about was getting their cookies, *“I just want the cookies, I don’t need someone to sell them to me”* (R517). This was further demonstrated by one respondent stating, *“Being able to order is more important than how it is ordered”* (R244) and another stating, *“I am not bothered. Would be happy to buy them off a robot if they came to my work to deliver☺”* (R14).

Some customers believe that the brand:

*“Is well known enough that the personal selling is not necessary, with several customers stating that they “would buy them online or in a supermarket all year round if available. Save money on wages and just build a webstore”* (R385).

#### **5.4.2 Customer’s Satisfaction with Personal Sellers**

Also investigated were the customers’ satisfaction levels of their experience with the sellers. This was conducted using a 5-point Likert scale ranging from “very dissatisfied” to “very satisfied” and an open-ended question asking them to describe why they ranked the scale where they did.

The mean value 4.48 ( $\sigma=0.71$ ) shows that the consensus around personal selling satisfaction is high. This implies that the service the customers are receiving from the sellers is high, and overall they are happy with this service.

The responses from the open-ended question **Please briefly explain why you were satisfied/dissatisfied with your experience** were coded using the same technique as the previous question. After coding three different themes became apparent; excellent customer service, ease of process, and bad customer service. Each is now discussed in turn.

#### **5.4.2.1 Excellent Customer Service**

The majority of the comments made about the customers' experiences with the Christmas Cookies sellers were positive, which is signified by the high mean value of 4.48. The consensus was that they received a high level of customer service from friendly sellers, for example:

*“I have never met a Cookie Time Christmas Cookies seller that wasn't happy, smiling and full of Christmas Cheer” (R140) and “the person is always friendly, pleasant... They are happy to wait while I send out an email to the general office. They are always happy to allow you to try the samples” (R209).*

This indicates to Cookie Time Ltd that the students they are employing are delivering the service that is expected of them, and in turn are being excellent brand ambassadors for the company. Thus, the customers are happy with their order and service, which feeds positively onto their perceptions of the brand and to the extent they value it. Respondent 264 sums this up nicely:

*“Every year I have purchased, the sellers have been courteous, knowledgeable and most important looked like they enjoyed their job! It makes for a happy purchaser”.*

#### **5.4.2.2. Ease of Process**

Another positive attribute about the service identified, is that the sellers make the process of ordering and paying very easy. As stated earlier, Christmas time is a busy time of the year for families so by having a *“quick and easy system to get purchases sorted”* (R130) encourages more customers to purchase.

In addition to the ease of the process to buy the Christmas Cookies, many customers mentioned that they liked that they received the correct order of Christmas Cookies on the correct delivery day, *“delivered what they said they would and when. Plus the added EFTPOS machines are a huge help”* (735).

### 5.4.2.3. Bad Customer Service

Overall, these results show that the customers are satisfied with their experience with the Christmas Cookies sellers. There were four respondents who were “very dissatisfied” and three respondents who were “dissatisfied” with their experience with the sellers. The customers’ reasons for not being satisfied are discussed below.

A couple customers were not happy with the service from their personal sellers because the sellers did not visit them at work and they had to contact Cookie Time headquarters to request a visit, or they resorted to buying the product through the online store.

Another reason customers were unhappy was due to the lack of communication between sellers and the customers. The main impact this had was that customers did not receive their Christmas Cookies on their given delivery date but rather the seller just arrived out of the blue, and for some customers Christmas Cookies never arrived.

### 5.4.3 Personal Selling Conclusion

The findings from the importance of personal selling and the level of a customers’ satisfaction indicate to Cookie Time Ltd that their sellers are performing their job at a high level. Overall, the consensus is that the customers like the personal selling aspect of the campaign; this can be seen from the themes that have emerged from the data analysis including; face to face interaction, convenience and thus ease of process, and the high level of customer service they receive. They enjoy the personal interaction they have with the bubbly and energetic sales team, they like the idea of being able to try before they buy, and having the opportunity to ask the seller any questions about the product or delivery.

These reasons act as reinforcements to Cookie Time Ltd that they are employing the right staff to be brand ambassadors around the country, with one respondent stating,

*“I have never met a non-confident cookie time girl. If anything, they are kiwi chicks, with a bit of cheekiness, and bold but honest approach to, what is effectively, cold calling. It’s the confidence in their product that makes them so approachable”*

(R413).

Overall, the customers are happy with the brand and the distribution channel that is used. This finding aligns itself with Wood's (2000) and one reason why the brand equity is high could be due to that the campaign is something the majority of customers are familiar with; therefore as discussed earlier, the associations are unique, strong, and favourable towards to the Christmas Cookies brand.

The results have been analysed and discussed in regards to the Cookie Time Christmas Cookies context. Below the data analysis focuses on testing the hypotheses discussed in Chapter 4.1.

## **5.5 Hypothesis Testing**

As presented in Chapter 2, CBBE is comprised of four dimensions; brand awareness, brand associations, perceived brand quality, and brand loyalty. The customers' views of these dimensions and their importance have been discussed above, alongside the importance of personal selling. This section looks to answer the proposed question that personal selling has some influence on the customers' view of the brand; by measuring the strengths of the relationship personal selling has on brand awareness/associations and perceived brand quality. The strength of the relationships between the CBBE dimensions was also measured. These relationships test the four hypotheses that were outlined in Chapter 4.1. See Appendix Eight for a list of the variables associated with each construct in the model. The CFA model was tested, followed by the testing of the SEM model. The results from both tests are discussed below.

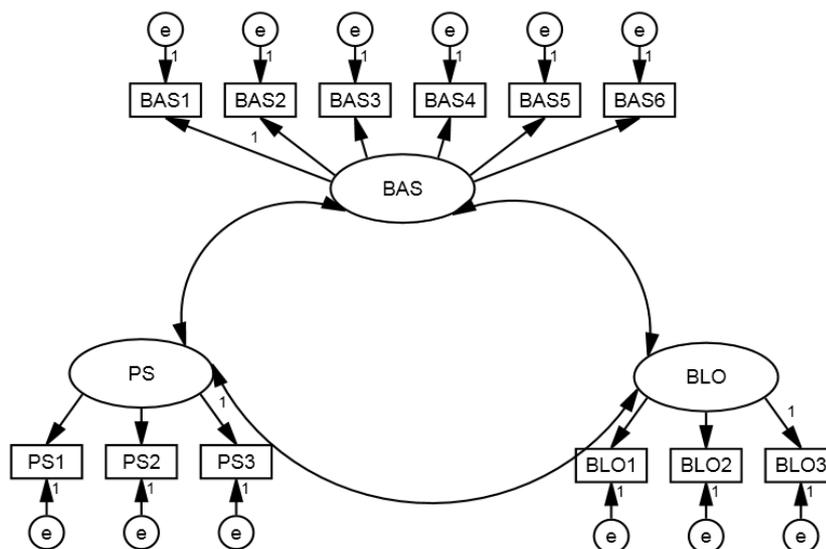
Before the SEM model could be performed, a number of assumptions needed to be made to ensure that there was a substantial sample size, normality within the data and internal consistency. As stated in section 5.1 there is an adequate sample size, and there is normality and consistency within the data, thus these assumptions have been met.

### 5.5.1 The CFA Model

This is step one of the two-step sequential assessment for a SEM (Anderson and Gerbing, 1988). The CFA measurement model was run with the hypothesised relationships between personal selling, and brand association/awareness and brand loyalty (See Figure 5-1). This was conducted to ensure that there is construct reliability and validity in the model before the SEM was performed.

The analysis was conducted on three of the four factors. Personal selling (PS) was measured by three observed variables (PS1, PS2, and PS3), brand associations/awareness (BAS) was measured using six observed variables (BAS1, BAS2, BAS3, BAS4, BAS5, and BAS6), and brand loyalty (BLO) was measured using three observed variables (BLO1, BLO2, and BLO3).

When the CFA model is performed, if the results yielded do not sure strong relationships between the variables, items from the latent variables can be removed to see if this improves the relationship between latent variables (Anderson and Gerbing, 1988). Thus, the hypothesised model did not include perceived brand quality (PBQ1) as there was only one variable in the questionnaire that measured that. Therefore, it was not necessary to include this when measuring construct reliability and validity (Anderson and Gerbing, 1988). This item will be included before the SEM model is performed.



**Figure 5-1 The Hypothesised CFA Model**

*Note:* PS (Personal Selling), BAS (Brand Awareness/Associations), BLO (Brand Loyalty).

### 5.5.1.1 The Model Evaluation

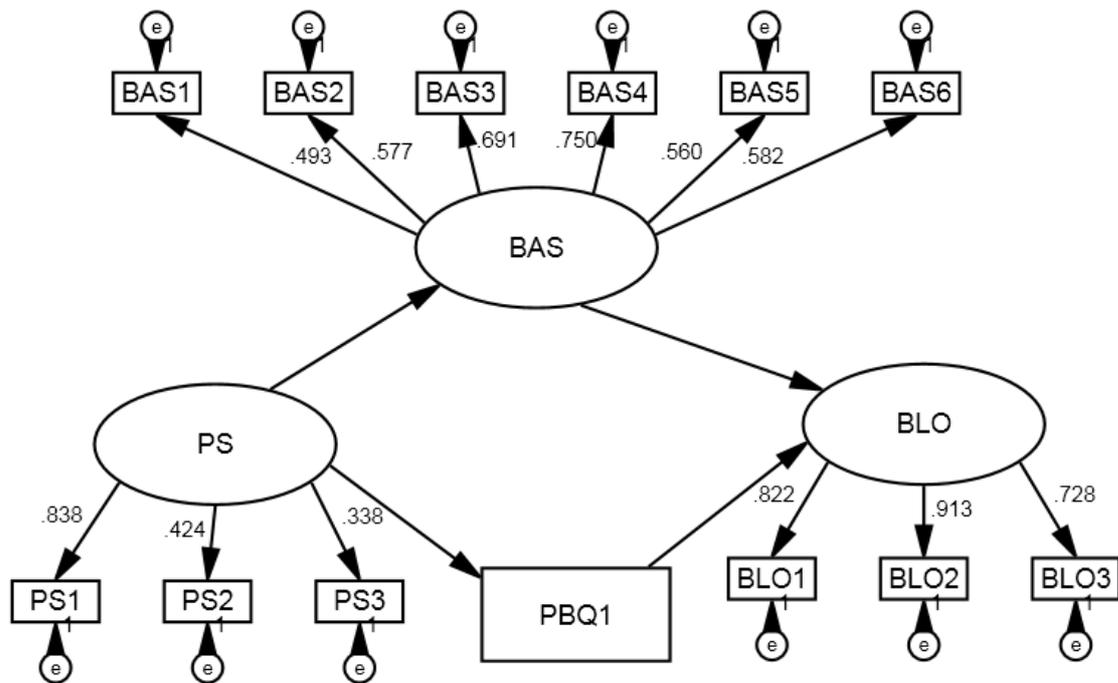
The evaluation of the CFA measurement model was measured by a looking at a number of goodness-of-fit indices. The first goodness-of-fit index is the chi-square value, it appears to have an adequate model fit with  $\chi^2 (51) = 180.203$ , and  $p$  value = 0.000 (See Table 5-9).

All model fit indices including  $\chi^2/df = 3.533$ , RMSEA = 0.056, CFI = 0.953, and NFI = 0.936 are within the acceptable levels for this study (Refer to Table 4-3 in Chapter 4 for acceptable levels). Furthermore, the CFA model reveals that all the factor loadings for the contrasts were relatively strong (the standardised factor item loadings from 0.338 to 0.913), with all CR values greater than 1.96 the acceptable level, with significance at  $p < 0.001$ . This shows that convergent validity was supported in this model.

The square multiple correlation ( $R^2$ /SMC) was calculated to show what proportion of variability of the CBBE dimensions were explained by their observed variables. The results show that the observed variables were related to their hypothesised latent variables and varied in magnitude from 0.114 to 0.833 ( $p < 0.001$ ). The general rule of thumb for there to be reliability within the variables is 0.50 (Anderson and Gerbing, 1988). Table 5-9 shows that only five of the observed variables are above 0.50. Therefore, it indicates that there is reliability within these variables. Although the other seven observed variables have values less than 0.50 and therefore a lower reliability value, they have been kept in the study. This is due to the relatively strong loadings they have with their respective latent variables.

Thus, the CFA model shows that there are relative strong loadings ( $\beta$ ) within the variables; the model fit indices showed that the model has good fit, and unidimensionality was confirmed. These results indicate that the paths in the hypothesized model in Figure 5-1 are present. Thus, Figure 5-2 shows the pathway model that was tested in the SEM model. The pathway model shows the relationships between the observed variables and the latent variables. Note that there are no factor loading values for the relationship between the latent variables, as these were measured in the SEM.

The SEM model looked to show the strength of the relationships between; personal selling (PS) and brand awareness/associations (BAS), and personal selling (PS) and perceived brand quality (PBQ1). And the relationships between brand awareness/associations (BAS) and brand loyalty (BLO), and brand awareness/associations (BAS) and brand loyalty (BLO). Note that perceived brand quality (PBQ1) has been added into the model as previously stated. This was not tested in the CFA as there is only one variable for this construct, so therefore did not need to be tested.



**Figure 5-2 The Final CFA Model and Results**

Standardised regression weight			Factor loading ( $\beta$ )	SMC ( $R^2$ )	CR	<i>p</i> -value
BAS1	←	Brand associations	0.493			
(BAS)						
BAS2	←	Brand associations	0.577		10.996	0.000
(BAS)						
BAS3	←	Brand associations	0.691		12.029	0.000
(BAS)						
BAS4	←	Brand associations	0.750		12.407	0.000
(BAS)						
BAS5	←	Brand associations	0.560		10.818	0.000
(BAS)						
BAS6	←	Brand associations	0.582		11.049	0.000
(BAS)						
PS1	←	Personal Selling (PS)	0.838			
PS2	←	Personal Selling (PS)	0.424		6.580	0.000
PS3	←	Personal Selling (PS)	0.338		6.022	0.000
BLO1	←	Brand Loyalty (BLO)	0.822		22.173	0.000
BLO2	←	Brand Loyalty (BLO)	0.913		22.891	0.000
BLO3	←	Brand Loyalty (BLO)	0.728			
BAS1				0.243		
BAS2				0.333		
BAS3				0.478		
BAS4				0.562		
BAS5				0.314		
BAS6				0.339		
PS1				0.701		
PS2				0.180		
PS3				0.114		
BLO1				0.676		
BLO2				0.833		
BLO3				0.530		
<b>Model Fit Measurement</b>					<b>Acceptable level in this study</b>	
Chi-Square ( $\chi^2$ )				180.203	$p > 0.05$ (at $\alpha$ equals to 0.05 level)	
Degree of Freedom ( <i>df</i> )				51		
Probability Level				0.000		
Relative Chi-Square ( $\chi^2/df$ )(CMIN/DF)				3.533	$1.00 < \chi^2/df < 5.00$	
Root Mean Square of Error of Estimation (RMSEA)				0.056	$\leq 0.08$	
Comparative-Fit Index (CFI)				0.953	$\geq 0.09$	
Normed-Fit Index (NFI)				0.936	$\geq 0.09$	

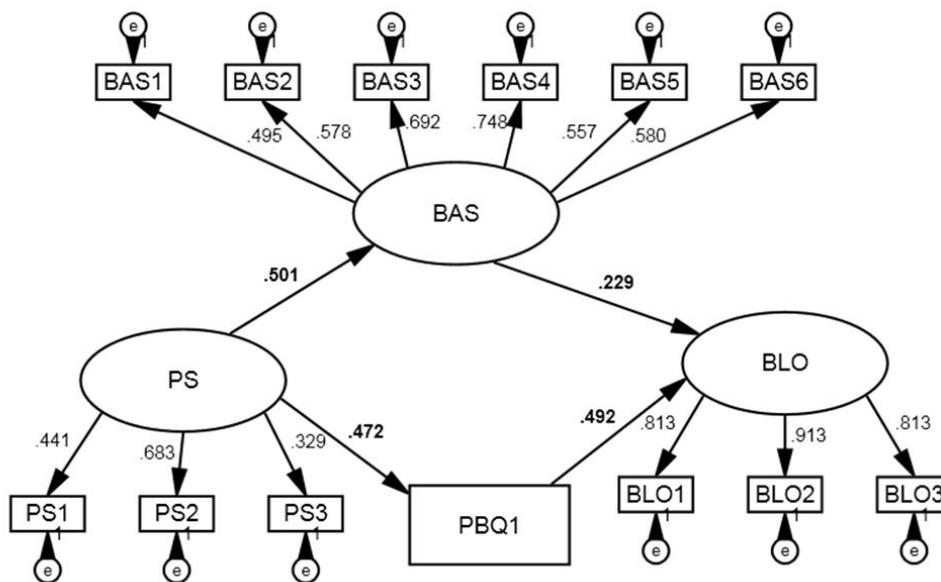
**Table 5-9 Standardised Regression Weight and Goodness-of-Fit Estimations of the CFA Model**

### 5.5.2 The Structural Equation Modelling (SEM)

The SEM model identifies the nature of the relationships in the model. This is the second step of the two-step process (Anderson and Gerbing, 1992). After conducting the CFA to determine construct reliability and validity, the SEM model was conducted with results shown in Table 5-10.

The SEM was assessed for model fit for the entire sample (n=800). The model tested four constructs (PS, BAS, PBQ1, and BLO) and which contained 12 variables. In Figure 5-7 the finalized SEM model with the results and structural paths is presented. The model has adequate model fit with  $\chi^2 (62) = 289.682$ , and  $p$ -value = 0.000. All model fit indices including  $\chi^2/df = 4.672$ , RMSEA = 0.068, CFI = 0.926, and NFI = 0.908 fell inside the recommended values (See Table 5-10).

The factor loadings ( $\beta$ ) can be interpreted as the correlation between the observed variable and the latent variable. All the standardised factors loadings were statistically significant ( $p < 0.001$ ), and varied in strength from 0.229 to 0.913 (See Table 5-10). The factor loadings confirm that there is a high level of reliability in the measurement of the latent variables. Therefore, the path relationships amongst the latent variables (PS, BAS, PBQ1, and BLO) were all statistically significant with standardised path estimates ranging between 0.229 and 0.501 ( $p < 0.001$ ) (See Figure 5-3).



**Figure 5-3 The SEM Finalised Model and Results**

Standardised regression weight	Factor loading ( $\beta$ )	SMC ( $R^2$ )	CR	<i>p</i> -value
BAS ← PS	0.501		5.723	0.000
PBQ1 ← PS	0.472		6.314	0.000
BLO ← BAS	0.229		5.680	0.000
BLO ← PBQ1	0.492		13.334	0.000
BAS1 ← Brand associations (BAS)	0.495			
BAS2 ← Brand associations (BAS)	0.578		10.996	0.000
BAS ← Brand associations (BAS)	0.692		12.029	0.000
BAS4 ← Brand associations (BAS)	0.748		12.407	0.000
BAS5 ← Brand associations (BAS)	0.557		10.818	0.000
BAS6 ← Brand associations (BAS)	0.580		11.049	0.000
PS1 ← Personal Selling (PS)	0.441			
PS2 ← Personal Selling (PS)	0.683		6.580	0.000
PS3 ← Personal Selling (PS)	0.329		6.022	0.000
BLO1 ← Brand Loyalty (BLO)	0.813		22.173	0.000
BLO2 ← Brand Loyalty (BLO)	0.913		22.891	0.000
BLO3 ← Brand Loyalty (BLO)	0.721			
PS		0.000		
PBQ1		0.222		
BAS		0.251		
BLO		0.348		
BAS1		0.245		
BAS2		0.335		
BAS3		0.479		
BAS4		0.559		
BAS5		0.310		
BAS6		0.337		
PS1		0.195		
PS2		0.467		
PS3		0.108		
BLO1		0.662		
BLO2		0.834		
BLO3		0.520		
<b>Model Fit Measurement</b>			<b>Acceptable level in this study</b>	
Chi-Square ( $\chi^2$ )		289.682	$p > 0.05$ (at $\alpha$ equals to 0.05 level)	
Degree of Freedom ( <i>df</i> )		62		
Probability Level		0.000		
Relative Chi-Square ( $\chi^2/df$ )(CMIN/DF)		4.672	$1.00 < \chi^2/df < 5.00$	
Root Mean Square of Error of Estimation (RMSEA)		0.068	$\leq 0.08$	
Comparative-Fit Index (CFI)		0.926	$\geq 0.09$	
Normed-Fit Index (NFI)		0.908	$\geq 0.09$	

**Table 5-10 Standardised Regression Weight and Goodness-of-Fit Estimations of the SEM Model**

The relationships between the influence of personal selling on both brand awareness/associations (BAS) and perceived brand quality (PBQ1) are both relatively high, with path estimates of 0.501 and .0472 ( $p < 0.001$ ), respectively. Thus, this result strongly supports a positive relationship between personal selling and the impact it has on both brand awareness/associations and perceived brand quality.

Regarding the factors influencing brand loyalty, the results obtained two positive and significant ( $p < 0.000$ ) relationships between brand awareness/associations and perceived brand quality (standardised factor loadings of 0.229 and 0.492). Thus, this shows that both these dimensions of CBBE might influence brand loyalty first before affecting the overall CBBE. This aligns with what Yoo et al. (2000) found, and agrees with their finding of brand loyalty being a holistic construct, in comparison to brand awareness/associations and quality which could be viewed as being evaluative constructs. The findings also align with Gil et al. (2007), who found a significant relationship between brand awareness/associations and brand loyalty.

When the model fit of this study is compared to similar studies, the results are not too dissimilar. The RMSEA, CFI, and NFI values can be used when comparing models. Table 5-11 shows that in comparison to Gil et al.'s (2007) and Yoo et al.'s (2000) studies, the results found in this study were good. With all three values approximately the same. The information in the table also shows that the present study produced a better model fit in comparison to Villarejo-Ramos and Sanchez-Franco's (2005) model which was quite weak in comparison.

<b>Author</b>	<b>RMSEA</b>	<b>CFI</b>	<b>NFI</b>
Present Study	0.068	0.926	0.908
Gil et al. (2007)	0.06	0.95	0.92
Yoo et al. (2000)	0.077	0.89	0.87
Villarejo-Ramos and Sanchez-Franco (2005)	0.122	0.656	0.609

**Table 5-11 Model Fit Comparison**

The present study found that there was a strong relationship between perceived brand quality and brand loyalty (standardised factor loading of 0.492,  $p < 0.000$ ), whereas in

contrast to this Gil et al. (2007) found there was not a significant relationship between these two constructs (standardised factor loading -0.10). The results found in this study show that the customer needs to have some awareness and perception of the quality of the Christmas Cookies brand, before there can be any loyalty towards the brand.

### 5.5.3 Conclusion

The results from the SEM show that there is a significantly positive relationship between personal selling and brand awareness/associations and perceived brand loyalty (with standardised factor loadings of 0.501 and 0.472 respectively). The relationships between brand awareness/associations and perceived brand quality and brand loyalty were significant (with standardised factor loadings of 0.229 and 0.492 respectively). These relationships support the academic literature that these two dimensions of CBBE precede brand loyalty.

### 5.5.4 Structural Model Assessment

To test the proposed hypotheses for this research the Structural Equation Model (SEM) was performed to examine the relationships between the constructs as presented in the conceptual model in Chapter 4. The structural model assessment method included an examination of model fit indices and the standardized path coefficients, which provides a parameter to accept or reject the hypothesized relationships. As a rule of thumb, for the hypothesized relationships to be accepted, the larger the factor loadings or standardized path coefficients (standardized regression weights in AMOS) the more significance they have and likelihood ratio (LR) should be larger than 1.96 (with 1 *df*) and significance at  $p < 0.05$  to be considered satisfactory and important (Hair et al., 2008). The result of the structural main model assessment is presented in Table 5-12.

**Hypothesis 1a** predicted that the higher the brand awareness/associations (BAS), the higher the brand loyalty (BLO). The result showed that the influence of BAS on BLO was in the hypothesised direction, and the path was statistically significant ( $\beta = 0.229$ , LR, 1*df* = 5.680,  $p = 0.000$ ). Thus, **H1a** was supported. This relationship is not as

strong as the two relationships above, however it still shows that there is some relationship between the customers' awareness and associations with the Christmas Cookies brand and their loyalty to the brand.

Hypothesis	Path	Factor Loading ( $\beta$ )	Likelihood Ratio (LR)	P-Value	Influence Direction	Hypothesis Result
<b>H1a: The more brand awareness/associations, the higher the brand loyalty</b>	Brand Awareness/Associations (BAS) $\Rightarrow$ Brand Loyalty (BLO)	0.229	5.680	0.000	Positive	Accepted
<b>H1b: The higher the perception of the quality of the brand, the higher the brand loyalty</b>	Perceived Brand Quality (PBQ1) $\Rightarrow$ Brand Loyalty (BLO)	0.492	13.334	0.000	Positive	Accepted
<b>H2a: The higher the positive experience with the seller, the higher the brand awareness/associations</b>	Personal Selling (PS) $\Rightarrow$ Brand Awareness/Associations (BAS)	0.501	5.723	0.000	Positive	Accepted
<b>H2b: The higher the positive experience with the seller, the higher the perceived quality of the brand</b>	Personal Selling (PS) $\Rightarrow$ Perceived Brand Quality (PBQ1)	0.472	6.314	0.000	Positive	Accepted

**Table 5-12 Standardised Estimates of the Main Model**

**Hypothesis 1b** predicted that the higher the perceived brand quality (PBQ1), the higher the brand loyalty (BLO). The result showed that the influence of PBQ1 on BLO was hypothesised direction, and the path was statistically significant ( $\beta = 0.501$ , LR, 1  $df = 5.723$ ,  $p = 0.000$ ). Accordingly, **H1b** was supported. This relationship shows that there is a relatively strong relationship between the customers' perception of brand quality and their loyalty to the brand.

**Hypothesis 2a** predicted that the higher the positive experience with a seller (PS), the higher the brand awareness/associations (BAS). The result showed that the influence of the PS on BAS was in the hypothesized direction, and the path was statistically significant ( $\beta = 0.501$ , LR,  $1df = 5.723$ ,  $p = 0.000$ ). Thus, **H2a** was supported. The relationship between personal selling and brand awareness/associations was a significantly strong relationship.

**Hypothesis 2b** predicted that the higher the positive experience with a seller (PS), the higher the perceived brand quality (PBQ1). The result showed that the influence of the PS on PBQ1 was in the hypothesized direction, and the path was statistically significant ( $\beta = 0.472$ , LR,  $1df = 6.314$ ,  $p = 0.000$ ). Thus, **H2b** was supported. The relationship between personal selling and perceived brand quality was not as strong as the relationship in **H2a**. However, it still signified that there is a strong relationship between the Cookie Time Christmas Cookies seller and their perception of the brand quality.

In summary, the results in Table 5-12 indicated that all the standardised path coefficients were sufficient and above the acceptable levels. Thus, **H1a**, **H1b**, **H2a**, and **H2b** were accepted.

## 5.6. Conclusion

This study has revealed some key findings for both Cookie Time Ltd and the academic literature.

The findings revealed that the Christmas Cookies customers have a high level of awareness for the brand; this was not surprising as the questionnaire was sent out to previous customers of the brand. Positive associations were found to be linked with the brand. The most common associations were; the iconic red bucket, the size of the cookies, Christmas time, and the three flavours the Christmas Cookies are available. Customers viewed the quality of both the cookies and the customer service relatively highly. These findings resulted in the customers' having a high level of loyalty

towards the brand, with many customers regarding the Christmas Cookies as a tradition and part of their festive season.

The findings stated above have been significantly influenced by the experience the customers has with the Christmas Cookies sellers. It was found that the personal sellers were the most preferred distribution channels, as convenience and personal interaction were the main themes that emerged around the importance of personal selling. Majority of the customers have received excellent customer service with the Christmas Cookies sellers, with only a few customers who had had bad experiences.

The results from the SEM found there to be significant relationships between personal selling and brand awareness/associations and perceived brand quality. This was a key academic finding, as few studies have researched the influence of personal selling on the CBBE dimensions. These relationships had strong standardised factor loadings, thus indicating that there is a strong correlation between variables. The SEM also found that there were significant relationships within the CBBE construct. Both brand awareness/associations and perceived brand quality had significant relationships with brand loyalty. This study supports the findings in the literature that both customers can form awareness, associations, and perceptions of quality of a brand with no experience required, and that brand loyalty is formed after an experience with the brand has occurred.

## **CHAPTER 6.0**

### **CONCLUSION**

This study aimed to establish the reasons why the customers of the Cookie Time Christmas Cookies valued the brand, and if their views of the brand were influenced by their experience with the sellers. The main contributions of this study present Cookie Time Ltd with some valuable information. In summary, the customers of the Cookie Time Christmas Cookies value the brand highly. They have positive, unique associations with the brand, and believe the personal selling aspect of the campaign is very important. This is due to the convenience and interaction of a seller visiting them at their workplace, the ease of the purchasing and delivering process, and the high level of customer service that they receive. Thus, personal selling should be retained as Cookie Time Ltd's main distribution channel.

The main findings Cookie Time Ltd can take away from this study is that the Christmas Cookies brand has a high level of brand equity, which has been influenced by the personal sellers. The personal sellers are considered the best distribution channel as the customers like interacting with them and because that is what they are familiar with and associate with the brand.

The key academic contribution to the literature surrounding CBBE was the significant relationship found between personal selling and the CBBE dimensions. The results also supported the academic findings that awareness, associations, and perceived quality of a brand precede brand loyalty.

Building a strong brand is important for the success of a company and is an effective strategy for differentiating a product from competing brands (Aaker, 1991). Brand equity is established through enriching the customers' perception of quality, loyalty to the brand, and brand awareness/associations. Managers need to ensure that they are employing sales personnel whose personalities and values align with the company, and those who will be the best brand ambassadors. Finally, this thesis provides new knowledge on the influence personal sellers have on the formation of brand equity, and leads the way for other researchers to further investigate the findings from this study.

## **6.1. Present Study's Findings**

The findings in this study provided some valuable information for Cookie Time Ltd about how their customers feel about the Christmas Cookies brand. An overview of the main themes and findings follows.

### **6.1.1. Brand Awareness/Associations**

The overall level of the customers' brand awareness is very high, with a mean value of 4.04. The area of their awareness that was lower than the rest was that customers found it challenging to quickly identify the symbol or logo of the brand. This could be due to the fact that the Christmas Cookies logo is not very different from the Cookie Time Ltd logo. Thus, it could have taken them a bit of time to try to differentiate the two. This high level of brand awareness, as suggested by Aaker (1991) has created a brand node in the customer's memory. Accordingly, when customers see the iconic red bucket they know what brand it is associated with. Thus, there is a sense of familiarity between the customer and the brand, and with it comes trust that has been developed between the customer and brand (Wood, 2002).

The customer's main association themes with the brand were; the small size of the cookies (26.3%), the three flavours they are available in (16.3%) and Christmas time (15.5%). These associations are all positive and unique to the Cookie Time brand, thus aligning with Keller's (1993) definition of a strong brand as one that customers' have a unique, strong, and favourable association with. The iconic red bucket was the most common individual association and was mentioned 325 times, indicating that this is one of main associations customers have with the brand.

### **6.1.2. Perceived Brand Quality**

The quality of the Christmas Cookies brand was high, with customers either commenting on the quality of the Christmas Cookies, or the quality of the customer service which they received. The mean value for this dimension was 4.43.

The level of quality was also suggested as one of the reasons as to why customers purchase the brand. For example "*I love the taste and quality of the cookies – they*

*don't crumble easily*" (R47). Thus, Cookie Time Ltd needs to ensure that this quality perception is maintained through all facets of the brand and campaign.

### **6.1.3. Brand Loyalty**

The results suggest that the customers are relatively loyal to the brand, attitudinal loyalty had an overall mean value of 3.88. Their behavioural loyalty was revealed in their reasons for purchasing the brand. For many purchasing the product has become a family tradition, and they now associate Christmas with the brand, thus are loyal for this reason. A number of customers are extremely loyal to the brand, and ensure they get their Christmas Cookies every year.

An important finding was that a few customers felt that their loyalty to the brand is not valued. They purchase a large number of the product annually, but this has not been recognised by the company.

### **6.1.4. Overall CBBE**

The results of the overall CBBE score show that the Cookie Time Christmas Cookies brand has a high value from the customers' perspective, with a mean value of 12.35 out of 15. As stated above, the brand has high brand awareness and perceived quality, which consequently leads to the high levels of brand loyalty.

### **6.1.5. Personal Selling**

The analysis of the personal selling data revealed some interesting findings. The consensus was that the personal selling aspect of the brand is very important with a mean value of 3.63. It was found that 87% of respondents believe that the option of purchasing the Christmas Cookies at work is an important aspect when making their purchase decisions; this is strongly supported by 81% of respondents choosing the Christmas Cookies sellers as their most preferred distribution channel. These results suggest to Cookie Time that the personal sellers should remain their main distribution channel.

The main themes that emerged from the importance of personal selling question were interaction and convenience. The customers like interacting with the personal sellers, as it brings a face to the company, and is a nice change from the IT savvy world we live in. Convenience plays an extremely important role in the decision to purchase, with many customers very busy in the weeks leading up to Christmas, it is much easier for them to order through the sellers, and then have their Christmas Cookies delivered a couple of weeks later.

Overall, the customers were highly satisfied with the level of customer service they receive. The main themes that emerged were excellent customer service and the ease of the process. The majority of the customers were impressed with the level of service from the seller, however a few customers received bad customer service, or the seller's did not call into their workplace. Thus, Cookie Time Ltd needs to stress to the sellers the importance of high levels of customer service, and to ensure they are visiting all the previous customers from preceding years within their sales territory. The second main theme was the ease of the purchasing process. This finding nicely aligns itself with the convenience theme that was found to be an important factor regarding personal selling.

Thus, the results indicate to Cookie Time Ltd, that the personal sellers are the customers' most preferred distribution channel, due to the convenience and ease of being able to order and receive the product at their workplaces, the personal interaction they have with sellers, and the overall excellent level of customer service they receive.

#### **6.1.6. Conceptual Model**

The results from the conceptual model show that there are significant relationships between the influence of the personal sellers on the customers' awareness and perception of quality in regards to the Cookie Time Christmas Cookies brand, with standardised factor loadings of 0.501 and 0.472.

Significant correlations were also found between both brand awareness and perceived quality and brand loyalty, with standardised factor loadings of 0.229 and 0.492. The

correlation between awareness and loyalty was not very strong; this finding still supports the literature that there is a relationship between these two dimensions. The correlation between perceived quality and brand loyalty was very strong, suggesting that the higher the perception of quality, the more loyal the customer will be to the brand.

Overall, this model yielded significant results between personal selling and the dimensions of CBBE, thus all hypotheses are supported.

## **6.2 Managerial Recommendations**

From the findings described above, and discussed in Chapter 5, the Cookie Time Christmas Cookies brand is highly valued by the customer's, and the personal selling significantly influences these views. The results from this study do suggest some changes that Cookie Time Ltd could implement to ensure that the personal selling technique that is employed continues to have a positive impact on how their customers value the brand.

The first suggestion is for an introduction of a loyalty system. The Christmas Cookies have been sold around New Zealand for 27 years, over which they have gained some very loyal customers. To recognise their loyalty Cookie Time Ltd could introduce a system where every 10<sup>th</sup> bucket purchased is free. However, they would need to ensure that the sellers were not missing out on these potential sales, or come to some arrangement where the seller may not gain the full commission on that bucket of cookies but may get a portion of it. Another way of increasing customer's loyalty to the brand, and for Cookie Time Ltd to retain their customers would be by introducing a bulk purchase discount, as Cookie Time Ltd needs to ensure that they are trying to exceed their customers' expectations each year, which in turn will increase the positive associations and loyalty towards the brand.

As stated earlier, consumers' lives are increasingly busy, especially around Christmas time. Thus, there are a number of ways that Cookie Time Ltd can slightly alter their service to make it even simpler for customers to buy cookies. The first suggestion is

to have a list of the different selling areas and the corresponding sellers work email addresses on the Cookie Time Ltd website. Therefore, if a customer needs to contact the seller about changing an order or requesting a visit, they can do this direct rather than having to ring up the Cookie Time Head Quarters. The second suggestion to make the customer's lives easier is to have an online system where customers can log in to place, add, or alter their orders. Currently the personal sellers are leaving fax back order forms at the businesses they visit, however the fax machine is starting to become a dated piece of technology and not everyone has access to one. Therefore, this could mean that sellers are missing sales if their potential customers have no way of placing their order. By introducing an online ordering system, not only would it make changes easier, but would also make it a more environmentally sustainable practice.

A distribution channel suggested by the customers included the option of purchasing via the online shop, but having the seller deliver the cookies to the customers' work or home. The option to purchase online is already available; however, they have to pay for freight of the Christmas Cookies. This could be a viable option, if the personal sellers were to still earn commission on these sales. However, one downside of this option is the seller will not know who has already purchased their cookies online, and could run the risk of annoying potential customers if they have already pre-purchased.

Suggestions from respondents about other distribution channels they would like to buy the Christmas Cookies through were via supermarkets, more pop-up stores in malls, and more online shops, If Cookie Time Ltd were to introduce these more mainstream channels they could have both positive and negative outcomes for the company. By putting them in supermarkets, the product would have access to a much larger target market. Specifically the product would be able to reach those who the sellers cannot reach, for example those who work from home, and stay at home mums. By selling the product online removes any geographical barriers that may prevent potential customers from purchasing the product. In addition, the final benefit of using these more mainstream distribution channels is there would be an increase in profit from the sales.

The findings from the study show that the personal selling distribution channel is the most preferred by the customers, thus it is suggested that no changes be made to this area of the business.

As stated earlier, there were two main reasons why customers were not happy with the customer service they received. To overcome these issues and to ensure all customers are happy with the service, two suggestions are made for Cookie Time Ltd. The first looks to ensure that all customers have a seller visit them at their workplace. The solution to this issue would be for Cookie Time Ltd to incorporate a function into the online system the sellers use to log their sales, which can differentiate the companies the seller has visited and those they have not. This will be a good visual guide for the sellers to show them which companies they have not yet visited, but also would drive them to add new businesses to the list. By doing this, it would act as a motivational tool for the sellers, and would ensure that no previous customers were forgotten, thus resulting in happy customers.

The second suggestion regards the importance of good customer service. If customers believe they are not getting the level of service they rightfully deserve, this could have detrimental effects to Cookie Time Ltd and could eventuate to them losing customers. The flow on from this could be a decrease in revenue and a decrease in brand equity. In addition, as stated by the Cookie Time Ltd General Manager “everything rides on the Christmas Cookies campaign. If we get it wrong it affects our entire year’s results”. Thus, Cookie Time Ltd needs to pay special attention to detail, as a bad experience with a Christmas Cookie seller, could affect the overall brand equity and be transferred across to their other products. To ensure this doesn’t happen, Cookie Time Ltd need to make sure their selection process for sellers is rigorous and only the best candidates are chosen to be employed.

Two key areas of the campaign “supporting a university student” and “supporting the Cookie Time Charitable Trust” received little recognition from respondents throughout the questionnaire. These are both important to the campaign, as they help differentiate the Cookie Time brand, and are what makes the campaign special. There is a lot of effort from Cookie Time Ltd to ensure they are employing bubbly, friendly, fun personality students, however some respondents did not realise the sellers are

university students. In addition, there was little mention of the Cookie Time Charitable Trust, to which some of the money raised from the sales of Christmas Cookies is donated each year. Thus, it is suggested that both these areas of the campaign have more emphasis placed on them in the next campaign. They are both important factors that can be used by Cookie Time Ltd, thus customers need to be informed of them.

### **6.3 Academic Contributions**

This study contributes to the CBBE and personal selling literature. The confirmatory factor analysis (CFA) and structural equation model (SEM) analytical techniques that were employed to test the proposed hypotheses regarding the relationships between the constructs of the study produced very strong results. It showed that there was a significant relationship between personal selling and both brand awareness/associations and perceived brand quality ( $\beta = 0.501$  and  $\beta = 0.472$ , respectively). These results suggest that personal selling can influence a brand's overall consumer based brand equity. This is a key finding to add to the CBBE literature.

To the knowledge of the researcher, the influence personal selling has on CBBE has not been researched. Previous research has studied the influence of attributes such as price, advertising, promotions, and family influences, but not personal selling. Furthermore, the regression coefficients of this analysis show that personal selling has strong effects on the dimensions of awareness, associations, and perceived quality. When comparing these results to Gil et al. (2007) study, these correlations were much stronger than those found between advertising, price and promotions ( $\beta = 0.20$ ,  $\beta = 0.22$ , and  $\beta = -0.01$ ).

Another interesting finding that was generated in the SEM was that brand awareness/associations have a significant positive relationship with brand loyalty. The regression coefficient for this relationship was not very strong ( $\beta = 0.229$ ), but it still acknowledges that a customer needs to have some awareness/associations formulated about a brand first before there can be loyalty to the brand. The results also suggest of

this study that the brand awareness and brand association dimensions should be combined into one dimension. This finding aligns itself with the works by Yoo and Donthu (2001) and Washburn and Plank (2002), who had difficulties in being able to differentiate the empirical difference between brand awareness and brand associations.

A significant relationship between perceived brand quality and brand loyalty was also found ( $\beta=0.492$ ). This finding did not align itself with Gil et al. (2007) findings, as they found that the relationship between these two dimensions of CBBE to not be significant. A reason for the significant relationship is due to the high quality of customer service the customers receive from the Christmas Cookies sellers, which is passed onto the quality of the brand, which leads to a higher level of loyalty to the brand.

Conceptually, the research provides understanding of the relationship between personal selling and the dimensions of CBBE. The research also supports the understanding that both the brand awareness/associations and perceived brand quality dimensions precede a customer's brand loyalty.

#### **6.4. Managerial Response**

Lizzie Parker the Marketing Manager at Cookie Time Ltd read the thesis, and her response to the results are as follows.

I am not surprised by the prominent female skew of customers but I expected the split to be 70/30 of females and male. This result has the staff at Cookie Time Ltd talking about why this may be, and what they can do to change this ratio.

I was a little surprised by the top of mind results. I thought that the majority of people would say Christmas Time versus attributes. Seeing flavours as the second most common response reinforces how personal the flavours are.

I am not surprised that the customers like the convenience of the personal sellers visiting them at their workplace. The charity angle is important (49%) but many people can replicate this i.e. Mrs Higgins/Starship. The students also very important,

also able to be copied i.e. Mrs Higgins. We do some public relations on these two factors and I think the student sellers are part of the whole experience. I also think that convenience wraps up some of the positive comments from page 75.

Lizzie's responses to the marketing and managerial recommendations are as follows.

The loyalty card recommendation, we are talking about how this can work. It will be challenging going year to year with different sellers, however its possible but it would be more than 10 they would need to buy to get a free one as to give away \$15 is significant.

Customers directly emailing sellers could certainly be an option. The key would be how we communicate this (perhaps via a business card that sellers give out) - otherwise customers need to go online, see who services their region etc. and I'm not sure how we would communicate that.

Customers altering their orders are a much harder task as they would need access to our back end and it would need to trigger a message to the seller. The fax forms are necessary as they are so visual and they prompt people. They can scan them and email them if they do not fax and perhaps there is a form online that replicates this that can be download. Having it so manual means people can simply add their name, then someone else can etc.

The online sale with seller distribution is too hard at the moment because the online system needs to accept a shipping payment as well and cant process without it. I think we need to keep it quite separate.

The recommendation to have an application tied into our control center that tracks prior year's customers that are visited will be looked into - am unsure how easy it is, particularly as many sellers record a customer in different ways. Therefore, a customer may be in the system different ways. We looked at it this year by simply sending sellers the customer list from the previous year and encouraged them to visit them all. However, each year it is a sellers business so we cannot make them visit everyone, they need to have some flexibility to run their business how they wish.

Thanks for doing this Briar, you have done a great job and its nice to confirm for us that having the sellers does positively influence brand equity. You have triggered some good thoughts for me thanks and we will think further about some of these ideas and insights as we begin to plan next years campaign.

## **6.5 Limitations and Recommendations for Future Research**

Although this study provides Cookie Time Ltd with valuable information about their Christmas Cookies campaign and provides academic contributions, there were a couple of limitations. Overcoming these limitations could be a direction for any future research on this topic.

The first major limitation found in this study concerns the sampling frame used. This study only surveyed previous Christmas Cookies customers; this could have affected the results, as they were already aware of the brand, meaning that the brand awareness results were positively skewed. Future studies should examine a random sample of the public, and this should provide a better understanding as to how aware the public are of the Christmas Cookies brand.

The second limitation is that this study only researched one brand. Replicating this study in the future, with more brands and different product categories could enhance the generalizability of the findings about the relationship between personal selling and brand equity.

The findings from the present study not only benefit Cookie Time Ltd, but also can be used by other FMCG companies looking to implement personal selling as a distribution channel. After examining the consumers' perspective of personal selling two key areas essential for successful product sales emerged. The first highlights the importance of employing sellers with excellent customer service skills, and the second highlight the importance of making the purchasing systems as easy as possible for the consumers. As the findings of this study suggest, personal selling is highly influential on how customers perceive and value the brand. Another key factor to success using personal sellers is to employ sellers who have bubbly personalities, and

whose values align with the company's, as customers like interacting with these types of sellers. FMCG companies need to be aware of the direct affect personal sellers can have on a brand, as they are directly interacting with the customers. It is important to ensure that they are being perfect brand ambassadors, because if not, it could have detrimental effects for the brand. In order for other FMCG companies to be successful when employing the personal selling technique, they need to consider the above areas.

It is hoped that this study will assist any future research investigating the dimensions of CBBE and their relationship with personal selling. These findings will also aid in other companies decision of whether to employ personal selling as a distribution channel and what impact the sellers could have to the overall value of the brand.

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## APPENDICES

### Appendix One: Academic Summary Table of CBBE Measures

Author	Measure	How it was measured	Validation & Reliability
<b>Brand Awareness (AW)</b>			
Yoo and Donthu (2001)	Measures simple brand associations/awareness incorporating brand recognition.	<ul style="list-style-type: none"> <li>- I can recognize X among other competing brands</li> <li>- I am aware of X</li> </ul>	<p>Their study was a validation of Aaker’s conceptualisations.</p> <p>Has construct validity – there is a high correlation between purchase intentions and attitude towards the brand.</p>
Villarejo – Ramos and Sanchez-Franco (2005)	Measures the brand awareness from the customers point of view.	<ul style="list-style-type: none"> <li>- I know what X looks like</li> <li>- I can recognize X among other competing brands</li> <li>- I am aware of X</li> <li>- I know X brand</li> </ul>	<p>Validated using Cronbachs Alpha.</p> <p>Reliability was performed on the initial scale of four indicators. 2 of the scale items did not exceed the required value; however, given that the levels were not too far from those required, it was decided to maintain the scale with the four indicators.</p>
Wang and Finn (2012)	Measures how aware the brand is in the consumers mind.	<ul style="list-style-type: none"> <li>- Have you heard of this brand?</li> <li>- I have an opinion about this brand</li> <li>- I am aware of X</li> <li>- When I think of (product category), (brand name) is the brand that first comes to mind.</li> <li>- (Brand name) is a brand of (product category)</li> </ul>	<p>Validated in a pretest. GENOVA was used to estimate the variance components for each dimension. Items were deleted that has a small proportion of the total variance</p>

		I am very familiar with.	
Yoo, Donthu and Lee (2000)	Measures simple brand associations/awareness, incorporating brand recognition. Brand associations are a much richer concept than mere awareness because the number of exposures does not guarantee more brand associations.	<ul style="list-style-type: none"> <li>- I know what X looks like</li> <li>- Some characteristics of X come to my mind quickly</li> <li>- I can recognize X among other competing brands</li> <li>- I am aware of X</li> <li>- I can quickly recall the symbol or logo of X</li> <li>- I have difficulty in imagine X in my mind (reverse code)</li> </ul>	<p>Tested by students, with all results were compared between the 12 tested brands.</p> <p>Measured for reliability using Cronbach's Alpha test with a cut off of 0.70. Those items that did not get to 0.70 were eliminated from the study. 6 brand association/awareness items were eliminated.</p>
<b>Brand Associations (AS)</b>			
Yoo and Donthu (2001)	Measures simple brand associations/awareness incorporating brand recognition	<ul style="list-style-type: none"> <li>- Some characteristics of X come to my mind quickly</li> <li>- I can quickly recall the symbol or logo of X</li> <li>- I have difficulty in imagining X in my mind (reverse scoring)</li> </ul>	<p>Their study was a validation of Aaker's conceptualisations.</p> <p>Has construct validity – there is a high correlation between purchase intentions and attitude towards the brand.</p>
Villarejo – Ramos and Sanchez-Franco (2005)	Measures the brand associations the consumer has about the brand.	<ul style="list-style-type: none"> <li>- Some characteristics of X come to mind quickly</li> <li>- X has a strong personality</li> <li>- X has a strong image</li> <li>- The intangible attributes of X brand are reason enough to buy it</li> <li>- X is a very good brand</li> <li>- X is a very nice brand</li> <li>- X is a very attractive brand</li> </ul>	<p>This scale initially presented 12 indicators, and the Cronbach's alpha statistic showed an acceptable level. Once the model had been estimated through the ADF (asymptotic distribution free) procedure and the less reliable indicators sequentially removed, the scale was finally formed by seven indicators</p>
	Measures the	<ul style="list-style-type: none"> <li>- I have a clear image of the type of person who</li> </ul>	Validated in a pretest. GENOVA was used

Wang and Finn (2012)	associations the consumer has with the brand.	would use the brand <ul style="list-style-type: none"> <li>- I can quickly recall the symbol or logo of X</li> <li>- X is a very good brand</li> <li>- X is a very nice brand</li> <li>- X is an extremely likeable brand</li> </ul>	to estimate the variance components for each dimension. Items were deleted that has a small proportion of the total variance
Aaker (1991)	Refers to the strength of a brand's presence in the customer's mind	<ul style="list-style-type: none"> <li>- Long history</li> <li>- Differentiated from other brands</li> <li>- Familiar to me</li> <li>- A brand for X country</li> </ul>	
<b>Brand Loyalty (LO)</b>			
Yoo and Donthu (2001)	Capture the overall commitment of being loyal to a specific brand based on Beatty and Kahles (1988) work	<ul style="list-style-type: none"> <li>- I consider myself to be loyal to X</li> <li>- X would be my first choice</li> <li>- I will not buy other brands if X is available at the store</li> </ul>	Their study was a validation of Aaker's conceptualisations. Has construct validity – there is a high correlation between purchase intentions and attitude towards the brand.
Villarejo – Ramos and Sanchez-Franco (2005)	Measures the consumers loyalty to the brand.	<ul style="list-style-type: none"> <li>- I consider myself to be loyal to X brand</li> <li>- X would be mu first choice</li> <li>- X brand fulfilled my expectations the last time I brought it</li> <li>- I will buy X again</li> <li>- I will suggest X to other consumers</li> <li>- Even if another brand has the same features as X, I would prefer to buy X</li> <li>- If there is another brand as good as X, I would prefer to buy X</li> <li>- If another brand is not different from X in any way, it seems smarter to purchase X</li> </ul>	The reliability analysis was applied to the initially 11 scale items, which yielded an acceptable correlation of all the items with the initial scale. Suitable values were obtained for convergent validity and individual reliability of the indicators. There was a poor adjustment in regards to the goodness measures. The indicators were removed iteratively. Finally, the results suggested a valid and reliable scale of either indicators.

Wang and Finn (2012)	Measures the level of commitment and loyalty a consumer has towards the brand	<ul style="list-style-type: none"> <li>- I would buy the brand on the next opportunity</li> <li>- I would recommend the product or service to others</li> <li>- X would be my first choice</li> <li>- I will not buy other brands if X is available in store</li> <li>- The next time, I buy (product category), I intend to buy a (brand name) brand</li> </ul>	Validated in a pretest. GENOVA was used to estimate the variance components for each dimension. Items were deleted that has a small proportion of the total variance
Yoo, Donthu, and Lee (2000)	Measured to capture the overall commitment of being loyal to a specific brand based on Beatty and Kahles (1988) work.	<ul style="list-style-type: none"> <li>- I consider myself to be loyal to X</li> <li>- X would be my first choice</li> <li>- I will not buy other brands is X is available in store</li> </ul>	<p>Tested by students, with all results were compared between the 12 tested brands.</p> <p>Measured for reliability using Cronbach's Alpha test with a cut off of 0.70. Those items that did not get to 0.70 were eliminated from the study. 3 items from brand loyalty were eliminated from the scale.</p>
<b>Perceived Quality (PQ)</b>			
Yoo and Donthu (2001)	Measures the consumers subjective judgment of a brands overall excellence or superiority and addresses the overall quality rather than individual elements of quality	<ul style="list-style-type: none"> <li>- The likely quality of X is extremely high</li> <li>- The likelihood that X would be functional is very high</li> <li>- The likelihood that X is reliable is very high</li> </ul>	<p>Their study was a validation of Aaker's conceptualisations.</p> <p>Has construct validity – there is a high correlation between purchase intentions and attitude towards the brand.</p>
Netemeyer et al	Measures perceived	- Compared to other brands of (product), (brand	A pretest was conducted on students to

(2004)	quality of the brand.	<p>name) is of very high quality.</p> <ul style="list-style-type: none"> <li>- (Brand name) is the best brand in its product class.</li> <li>- (Brand name) consistently performs better than all other brands of (product)</li> </ul>	respond to 37 items across four brands. If the item had consistently low or very high item-to-total correlations it was considered for deletion.
Villarejo – Ramos and Sanchez-Franco (2005)	Measures the quality of the brand from the consumers point of view.	<ul style="list-style-type: none"> <li>- X is of high quality</li> <li>- The likely quality of X is extremely high</li> <li>- The likelihood that X will be satisfactory is very high</li> <li>- The likelihood that X is reliable is very high</li> <li>- Compared to its competitors, I appreciate X brand</li> <li>- Compared to its competitors, I respect X brand</li> </ul>	After model estimators, those indicators with low individual reliability were iteratively removed through the squared correlation coefficient. The scale was re-estimated with six indicators, and an acceptable goal adjustment were obtained.
Wang and Finn (2012)	Measures the overall quality of the brand.	<ul style="list-style-type: none"> <li>- The quality of this brand is very high</li> <li>- In terms of overall quality, I'd rate this brand as</li> <li>- I can always count on (brand name) brand of (product) for consistent high quality</li> <li>- The likelihood that X is reliable is very high. X is a quality leader within its category</li> </ul>	Validated in a pretest. GENOVA was used to estimate the variance components for each dimension. Items were deleted that has a small proportion of the total variance
Yoo, Donthu, and Lee (2000)	Measures the consumers' subjective judgment about a brand's overall excellence or superiority and addresses overall	<ul style="list-style-type: none"> <li>- X is of high quality</li> <li>- The likely quality of X is extremely high</li> <li>- The likelihood that X would be functional is very high</li> <li>- The likelihood that X is reliable is very high</li> </ul>	<p>Tested by students, with all results were compared between the 12 tested brands.</p> <p>Measured for reliability using Cronbach's Alpha test with a cut off of 0.70. Those</p>

	<p>quality rather than individual elements of quality.</p>	<ul style="list-style-type: none"> <li>- X must be of very good quality</li> <li>- X appears to be of very poor quality (reverse code)</li> </ul>	<p>items that did not get to 0.70 were eliminated from the study. 6 items from perceived quality were eliminated.</p>
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## Appendix Two: CBBE Scales used in Present Study

All adopted scales used 5-point Likert scales and have been tested for reliability and validity before this study was conducted.

Construct	Statement	Author
<b>Brand Awareness</b>	- I am aware of the Cookie Time Christmas Cookies	Yoo and Donthu (2001)
	- Some characteristics of the Cookie Time Christmas Cookies come to my mind quickly	
	- I can recognise Cookie Time Christmas Cookies among other competing brands	Yoo, Donthu, and Lee (2000)
	- I know what the Cookie Time Christmas Cookies brand looks like	
	- I can quickly recall the symbol or logo of Cookie Time Christmas Cookies	
	- I have difficult in imaging Cookie Time Christmas Cookies in my mind (r)	
<b>Brand Loyalty</b>	- I consider myself to be loyal to Cookie Time Christmas Cookies	Yoo and Donthu (2001)
	- Cookie Time Christmas Cookies would be my first choice	
	- I will not buy other brands if Cookie Time Christmas Cookies are available	Yoo, Donthu, and Lee (2000)
<b>Perceived Brand Quality</b>	- The quality of this brand is very high	Wang and Finn (2012)

## **Appendix Three: Responses to Personal Selling Questions for Questionnaire**

### **1. Do you like the Christmas Cookies campaign due to the personal interaction with the university students selling the cookies?**

- Yes, I really only bought them to help a student out! They're a nice wee stocking filler too.
- From my personal experience last year & in previous years I have never really thought there was any particular emphasis placed on the sellers being university students. But I do like the personal interaction of the sellers.
- Yes, the students are always polite and helpful
- Yes
- Yes. It's good to deal with a face, you can come to know.
- Yes
- Yes, friendly and helpful. Supporting a student as well as the brand
- Yes
- Yes – I like the idea of younger people selling these biscuits
- Yes
- I did not realize it was only University students selling them

### **2. Do you like the sellers visiting you at your workplace?**

- Yes, makes it an easy no fuss thing to do.
- Yes. In our workplace we have two different 'book club' type businesses that constantly have rotated stock in our staffroom, but we never have personal interaction with the sellers themselves. Therefore more often than not I find the products are over looked. I find the 'face' that comes with Christmas Cookies makes me more inclined to buy.
- Yes
- Yes
- Yes, it's convenient, prompts you to buy some, rather than walking past someone selling them on the sidewalk. Also some peer pressure, encouraging other work mates to buy some as well.
- Yes
- Yes – Excellent
- Yes
- Yes provided it does not cause any work place disruptions – sellers have a captive audience
- Yes
- Do not have any problems with them visiting

### **3. What specifically do you like about them visiting?**

- See answer above, made it easy.
- I think the best thing about them visiting is that they provide someone to complete the transaction with. Going back to the 'book club' type businesses, money is just left in an envelope and then the goods are just left in a pile at the end of the week. With Cookie Time your money is exchanged with the seller & appreciation

is then offered. It is more personal. Yes, it is nice to get a sample... but we all know what Cookie Time cookies taste like, so really it's just a nice sweet treat during the working day.

- The convenience of having sellers come to our workplace, yes sampling them certainly helps to convince me to buy them
- Sample cookies definitely a bonus, especially with a new variety
- It is nice to sample them, especially a new flavour, but not a necessity. I would buy them regardless. I like the personal touch of the ordering, and then waiting for the buckets to arrive at a date before Christmas!
- Friendly faces known to be trying to pay their own way. Yes I like getting free samples
- The convenience of buying and delivery
- Like getting the free samples
- The chance/opportunity of one-on-one selling, cross selling, and opportunity to taste before ordering
- I like cookies, the timing is good for Christmas presents for hard to buy for people
- Only if there is a different flavor

#### **4. Would you purchase the cookies if they were just sold in supermarkets in the weeks leading up to Christmas?**

- Probably not. I wouldn't even have thought about them if they hadn't been presented to us at work.
- Not sure. They aren't really a product I can imagine buying in a supermarket, possibly because of the price. I think because the products support a charity an element of personal experience is needed. In a supermarket environment I think people tend to shop for items like this when they are on special. I feel that Christmas food shopping is expensive enough as it is for your average consumer
- No, cookies aren't a product which grabs my attention at Christmas time normally
- possibly – probably not as many.. not sure, there's so many other requirements and specials at the supermarket at that time of the year they would probably blend in!
- Probably not! As they are not the cheapest cookies to buy, compared to biscuits in Pak n Save. They are more a spontaneous buy, for a good cause, i.e. when at work, rather than when shopping in the supermarket, and working within a budget.
- No
- Yes absolutely
- Maybe Not
- Probably not – like the idea of them being delivered to you especially if you are buying in bulk
- Probably not
- Most probably

#### **5. Is the personal selling aspect important?**

- I don't really mind. As I said, I bought them for two main reasons, 1) The help the student out and 2) they were a nice stocking filler.
- Yes, very important.
- Yes

- Yes – feels more like Christmas with happy bubbly people visiting the office
- Yes I think it's important, sellers can work up a clientele and return to sell more the following year. Customers can also feel loyal to the seller and repeat buy too!
- Yes
- Yes
- Yes
- Yes
- Very
- no

**6. Is there anything you would like to see changed in the Cookie Time Christmas Cookies campaign?**

- No, not anything I can think of.
- An online ordering system would be useful. Then people could order at their own convenience & pay at the time of ordering. This would be particularly useful in workplaces like mine where the whole team is never all here together on the same day.
- Not really, having reminders sent by fax is helpful when collating orders and arranging the everyone's payment, I'd leave the system as it is to be honest
- Perhaps the ability for online payment – maybe seller gives you a code to enter that attributes your purchase to their sale...? Or even payment when ordering – the delay between ordering and payment can be enough for you to spend too much and not have the cash to pay especially Christmas time! Think that's all!
- Maybe some new flavours, the old flavours seem to work pretty good, but can be limiting. Otherwise the campaign works well.
- Yes
- Buckets of mixed flavours
- No its fine
- No – I think the mix is just about right. If it's not broken it doesn't need fixing!!
- How about a mid year campaign or just an email address or website we could order from – I've finished both my buckets. I also like the small size of the cookies
- no

## **Appendix Four: Questionnaire**

Thank you for clicking through to our survey.

### **INFORMATION FOR PARTICIPANTS**

Thank you for showing an interest in this project. Please read this information below carefully before deciding whether or not to participate. If you decide to participate we thank you. If you decide not to take part there will be no disadvantage to you and we thank you for considering our request.

This project is being undertaken as part of the requirements for the Master of Business in Marketing Management. Should you agree to take part in the questionnaire you will be asked to answer rating and short answer questions, this should take less than 10 minutes. Your answers will be anonymous and your personal information will not be linked to your answers in any way, or be passed onto the company.

In return for your participation, you can choose for your name to be put into a draw to win one of ten Cookie Time product gift boxes. Please be aware that you may decide not to take part in the project without any disadvantage to yourself of any kind.

The data collected will be securely stored in a way that only those mentioned in the email will be able to gain access to it. At the end of the project any personal information will be destroyed immediately except that, as required by the University's research policy, any raw data on which the results of the project depend will be retained in secure storage for five years, after which will be destroyed.

The results of the project may be published and will be available in the University of Otago Library (Dunedin, New Zealand) but every attempt will be made to preserve your anonymity. You may withdraw from participation in the project at any time and without any disadvantage to yourself of any kind.

This study has been approved by the Marketing Department. If you have any concerns about the ethical conduct of the research you may contact the Committee through the Human Ethics Committee Administrator (ph 03 479 8256). Any issues you raise will be treated in confidence and investigated and you will be informed of the outcome.

To go directly to the survey please click on the button at the bottom of the page. Once you proceed to the next page, please be aware that you cannot go back to questions you have already answered and change your answers. If you lose your connection to the Internet or this survey at any point, please click the link provided in the email you received and it will take you back to the point where you left off.

**This questionnaire is focusing specifically on the Cookie Time Christmas Cookies brand only. Please keep this in mind when answering the following questions. Please list the first three things that come to mind when you think about the Cookie Time Christmas Cookies brand.**

**1. When thinking specifically about the Cookie Time Christmas Cookies brand, please answer the following statements with the extent to which you agree or disagree**

	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
I am aware of Cookie Time Christmas Cookies	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Some characteristics of Cookie Time Christmas Cookies come to my mind quickly	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I can recognise Cookie Time Christmas Cookies among other competing	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

brands					
I know what the Cookie Time Christmas Cookies brand looks like	<input type="radio"/>				
I can quickly recall the symbol or logo of Cookie Time Christmas Cookies	<input type="radio"/>				
I have difficulty in imagining Cookie Time Christmas Cookies in my mind	<input type="radio"/>				

**2. Please now think about your loyalty to the Cookie Time Christmas Cookies brand and answer the following statements with the extent to which you agree or disagree**

	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
I consider myself to be loyal to Cookie Time Christmas Cookies	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Cookie Time Christmas Cookies would be my first choice	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I will not buy other brands if Cookie Time Christmas Cookies are available	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**3. Please now think about the quality of the Cookie Time Christmas Cookies brand and answer the following statement with the extent to which you agree or disagree**

	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
The quality of this brand is very high	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**The following questions will focus on the personal selling technique that Cookie Time Ltd has used to sell the Christmas Cookies to members of the New Zealand public. Please think about your experience with the Cookie Time Christmas Cookie seller to answer the following questions**

**4. Please list the reasons why you purchase the Cookie Time Christmas Cookies brand:**

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**5. Why do you like the Cookie Time Christmas Cookies brand? (Please tick as many that apply to you)**

- Supporting the Cookie Time Charitable Trust
- Supporting a university student
- Supporting a New Zealand company
- The personal interaction
- Free samples
- Convenience of the seller coming to your work place
- They are a Christmas tradition
- Quality of the cookies
- They make good Christmas presents
- It is not Christmas without them

**6. Is the option to purchase the cookies at your workplace an important aspect of your decision to buy?**

- Yes
- No

**7. Please answer the following statement with the extent to which you think the personal selling is an important aspect.**

	Not at all Important	Very Unimportant	Neither Important nor Unimportant	Very Important	Extremely Important
How important is the personal selling aspect to you?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**8. Please briefly describe why the personal selling aspect is important/not important to you:**

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**9. Please answer the following statement with the extent to which you think the personal selling is an important aspect.**

	Very Dissatisfied	Dissatisfied	Neutral	Satisfied	Very Satisfied
How satisfied were you with your experience with your Cookie Time Christmas Cookies seller?	<input type="radio"/>				

**10. Please briefly explain why you were satisfied/dissatisfied with your experience.**

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**11. How you would most prefer to purchase the Cookie Time Christmas Cookies in the weeks leading up to Christmas?**

- Supermarket
- A Cookie Time Christmas Cookies seller visiting your workplace
- Online
- Other

**12. If you have selected other, please write what your most preferred method of purchasing the Cookie Time Christmas Cookies would be.**

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**13. Finally, do you have suggestions for Cookie Time Limited on how they could improve your purchasing experience with your Cookie Time Christmas Cookies seller?**

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**Thank you for taking part in this questionnaire. We just need a few more details about you to ensure that we get an even spread of respondents. Please note that all your responses are confidential and none of your specific information below will be passed onto Cookie Time Ltd.**

**Are you**

- Male
- Female

**In what age group do you belong?**

- Under 18 years
- 18-24 years
- 25-34 years
- 35-44 years
- 45-54 years
- 55-64 years
- Over 65 years

**What is your highest education level?**

- Less than secondary school
- Secondary school
- Polytechnic degree
- University undergraduate degree
- Postgraduate studies (E.g. Master or Doctoral degree)

**What is your annual personal income?**

- \$0-\$9,999
- \$10,000 - \$19,999
- \$20,000 - \$29,999
- \$30,000 - \$39,999
- \$40,000 - \$49,999
- \$50,000 - \$59,999
- \$60,000 - \$69,999
- \$70,000 +
- Decline to answer

**What region of New Zealand do you live in?**

- Northland
- Auckland
- Waikato
- Bay of Plenty
- Gisborne
- Hawkes Bay
- Taranaki
- Manawatu-Whanganui
- Wellington
- Nelson
- Marlborough
- West Coast
- Canterbury
- Otago
- Southland

**And finally, would you like to go into the draw to win one of ten Cookie Time gift packs?**

- Yes
- No

**Please enter the following information so we can send you your gift pack if you win (please note that the postal address must be suitable for a courier i.e. No PO box addresses please)**

First Name

Last Name

Courier Address

You have reached the end of the questionnaire. Thank you very much for participating in this research, your participation is greatly appreciated.

## Appendix Five: Email to Participants

Dear Cookie Time Christmas Cookies fan!

Thank you for supporting Cookie Time Christmas Cookies in the past. With the steady growth of the Christmas Cookies campaign, we are interested in seeing what value you place on this brand.

Briar Hocking was part of our Christmas Cookies student selling team last year, and this year is completing her Masters of Business in Marketing at the University of Otago. She has been working alongside us this year to formulate a questionnaire, which will help us understand your perceptions of the brand and if the way in which the cookies are sold influence your brand perceptions. In order for Briar to get the information she requires, we have agreed to send the questionnaire out on her behalf.

If you are happy to take part in this project, we would love you to fill out the short questionnaire via the link at the bottom of this email, it should take no longer than 10 minutes to complete. The questionnaire requires you to select from a small range of options and rate specific statements based on how much you agree or disagree with them. There are also a couple of open-ended questions that require short answers as well. Your answers will be anonymous and your personal information will not be linked to your answers in any way, or passed onto us at Cookie Time.

In return for your participation, you can enter the draw to win one of ten Cookie Time product gift boxes.

If you have any questions about the project, either now or in the future, please feel free to contact either:

Briar Hocking  
Masters Student  
Department of Marketing  
027 4752 922  
[briar.hocking@otago.ac.nz](mailto:briar.hocking@otago.ac.nz)

and/or

Dr. Leah Watkins  
Lecturer (Project Supervisor)  
Department of Marketing  
03 479 8168  
[leah.watkins@otago.ac.nz](mailto:leah.watkins@otago.ac.nz)

If you have any other questions please let me know.

We really appreciate your participation in Briar's study; please click the link below, which will take you to the start of the questionnaire.

[https://businessotago.qualtrics.com/SE/?SID=SV\\_eaCx9hZ8DqvXYep](https://businessotago.qualtrics.com/SE/?SID=SV_eaCx9hZ8DqvXYep)

Kind Regards,

Lizzie Parker

Cookie Time Limited Marketing Manager

## Appendix Six: Ethics Approval



Form Updated: February 2011

### HUMAN ETHICS APPLICATION: CATEGORY B (Departmental Approval)

- University of Otago staff member responsible for project:**  
Watkins Leah Dr
- Department:** Department of Marketing
- Contact details of staff member responsible:** leah.watkins@otago.ac.nz
- Title of project:** What is the value of the Cookie Time Christmas Cookies brand to its consumers?
- Indicate type of project and names of other investigators and students:**

<b>Staff Research</b>	<b>Names</b>	<input type="text"/>
<b>Student Research</b>	<b>Names</b>	<input type="text" value="Briar Hocking"/>
<i>Level of Study (e.g. PhD, Masters, Hons)</i>		<input type="text" value="Masters"/>
<b>External Research/</b>	<b>Names</b>	<input type="text"/>
<b>Collaboration</b> <i>Institute/Company</i>		<input type="text"/>

- When will recruitment and data collection commence?** 16 October 2012

**When will data collection be completed?** 30 October 2012

- Brief description in lay terms of the aim of the project, and outline of research questions** (approx. 200 words):

The aim of the research is to find out how customers perceive the Cookie Time Christmas Cookies brand and if this is influenced by the personal sellers who are employed each year to sell the cookies around the country.

Consumer Based Brand Equity (CBBE) has become important since the late 1980's, as the consumers view and perceptions of a brand are of great importance to firms. There has been many studies in this area, but there is still ambiguity around the correct and most effective way of measuring it. Currently there has been little research conducted around CBBE and the influence personal selling has on consumers' perceptions of brands. Therefore, the results of my study will add to the CBBE literature. Also this thesis is taken from the practical stance of solving a problem for Cookie Time Ltd.

The research questions are:

1. To what extent do customers value the Cookie Time Christmas Cookies brand?
2. How does the personal selling technique influence the customers' perceptions and value of the Cookie Time Christmas Cookies brand?

**8. Brief description of the method.** Please include a description of who the participants are, how the participants will be recruited, and what they will be asked to do:-

The participants for this research project need to have purchase Cookie Time Christmas Cookies before.

Cookie Time will agree to send the link to the questionnaire directly to customers in their database on my behalf. The customers will be chosen at random from the database, with an even spread sought from around the country.

The customers will be asked to complete an online questionnaire, which will take them approximately 10 minutes to complete and includes some short answer questions, and attitude statements measured on likert scales.

**9. Please disclose and discuss any potential problems:** (For example: medical/legal problems, issues with disclosure, conflict of interest, etc)

The respondents anonymity will be protected and the data collected will be securely stored in a way that only members of the immediate research team will be able to gain access to it. At the end of the project any personal information will be destroyed immediately except that, as required by the University's research policy, any raw data on which the results of the project depend will be retained in secure storage for five years, after which it will be destroyed. No additional issues are anticipated.

**Applicant's Signature:** .....

*(Principal Applicant: as specified in Question 1, Must not be in the name of a student)*

**Signature of \*Head of Department:** .....

*Name of Signatory (please print):* .....

*Date:* .....

**Departmental approval:** *I have read this application and believe it to be scientifically and ethically sound. I approve the research design. The Research proposed in this application is compatible with the University of Otago policies and I give my consent for the application to be forwarded to the University of Otago Human Ethics Committee.*

*\*(In cases where the Head of Department is also the principal researcher then an appropriate senior staff member in the department must sign)*

**IMPORTANT:** The completed form, **together with copies of any Information Sheet, Consent Form and any recruitment advertisement for participants**, should be forwarded to the Manager Academic Committees or the Academic Committees Assistant, Registry, **as soon as the proposal has been considered and signed at departmental level**. Forms can be sent hardcopy to Academic Committees, Room G23 or G24, Ground Floor, Clocktower Building, or scanned and emailed to [gary.witte@otago.ac.nz](mailto:gary.witte@otago.ac.nz).

Dear Cookie Time Christmas Cookies fan!

Thank you for supporting Cookie Time Christmas Cookies in the past. With the steady growth of the Christmas Cookies campaign, we are interested in seeing what value you place on this brand.

Briar Hocking was part of our Christmas Cookies student selling team last year, and this year is completing her Masters of Business in Marketing at the University of Otago. She has been working alongside us this year to formulate a questionnaire, which will help us understand your perceptions of the brand and if the way in which the cookies are sold influence your brand perceptions. In order for Briar to get the information she requires, we have agreed to send the questionnaire out on her behalf.

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In return for your participation, you can enter the draw to win one of ten Cookie Time product gift boxes.

If you have any questions about the project, either now or in the future, please feel free to contact either:

Briar Hocking

Masters Student

Department of Marketing

027 4752 922

[briar.hocking@otago.ac.nz](mailto:briar.hocking@otago.ac.nz)

and/or

Dr. Leah Watkins  
Lecturer (Project Supervisor)  
Department of Marketing  
03 479 8168  
[leah.watkins@otago.ac.nz](mailto:leah.watkins@otago.ac.nz)

If you have any other questions please let me know.

We really appreciate your participation in Briar's study, please click the link below which will take you to the start of the questionnaire.

Kind Regards,  
Lizzie Parker  
Cookie Time Limited Marketing Manager

## **INFORMATION FOR PARTICIPANTS**

Thank you for showing an interest in this project. Please read this information below carefully before deciding whether or not to participate. If you decide to participate, we thank you. If you decide not to take part, there will be no disadvantage to you and we thank you for considering our request.

This project is being undertaken as part of the requirements for the Master of Business in Marketing Management.

Should you agree to take part in the questionnaire you will be asked to answer rating and short answer questions, this should take less than 10 minutes. Your answers will be anonymous and your personal information will not be linked to your answers in any way, or be passed onto the company.

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This study has been approved by the Marketing Department. If you have any concerns about the ethical conduct of the research you may contact the Committee through the Human Ethics Committee Administrator (ph 03 479 8256). Any issues you raise will be treated in confidence and investigated and you will be informed of the outcome.

## Appendix Seven: Top of Mind Awareness Themes

Final Themes	Initial Themes	Frequencies
Flavours	Apricot and Chocolate	118
	Chocolate	202
	Cranberry and White Chocolate	32
	Flavours	47
Product Attributes	Size	171
	Texture	33
	Unhealthy	17
	Taste	432
	Smell	3
Christmas Time	Christmas Time	237
	Presents/Gifts	139
	Tradition	7
Cookie Time Company and Brand	Cookie Time Brand and Monster	65
	Colours	29
	Charity	12
	NZ Company	6
	Big Cookies	13
Buying Experience	Convenience	25
	Price	20
	Place of Purchase/How to purchase	29
	Sellers	27
	Cookie T-shirts	20
	Delivered	11
	Ease of purchasing	13
	Free samples	4
	Expensive	17
	Availability	16
	Quantity	10
Cookies	Biscuits/Cookies	56
	Food	8
Buckets	Buckets	325
Overall Quality	Value	28
	Quality	25
	Well Known	12
Family	Children and Family	58
	Sharing	15
Treat	Treat	32
	Snack	37
	Addictive/over indulgence	24
Summer Time	Summer Holidays	48
Feelings towards the brand	Happiness	10
	Fun/exciting	36
How to Eat them	How to eat them	18
Miscellaneous	Miscellaneous	20

## Appendix Eight: Variables used in Structural Equation Model

Construct	Item	Statement/Question
Brand Awareness/Associations	BAS1	I am aware of the Cookie Time Christmas Cookies
	BAS2	Some characteristics of Cookie Time Christmas Cookies come to my mind quickly
	BAS3	I can quickly recognise Cookie Time Christmas Cookies among competing brands
	BAS4	I know what the Cookie Time Christmas Cookies brand looks like
	BAS5	I can quickly recall the symbol or logo for Cookie Time Christmas Cookies
	BAS6	I have difficult in imagining Cookie Time Christmas Cookies
Perceived Brand Quality	PBQ1	The quality of this brand is very high
Brand Loyalty	BLO1	I consider myself to be loyal to Cookie Time Christmas Cookies
	BLO2	Cookie Time Christmas Cookies would be my first choice
	BLO3	I will not buy other brands if Cookie Time Christmas Cookies aren't available
Personal Selling	PS1	How important is the personal selling aspect to you?
	PS2	How satisfied were you with your experience with your Cookie Time Christmas Cookies seller?
	PS3	Customer Satisfaction*

\* The PS3 customer satisfaction statement was created by quantifying the responses to the customer satisfaction question were quantified using SPSS into the three themes discussed above, where a 12-point scale was formed (PS3) ranging from excellent customer service to no contact with the seller.