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RESEARCH ARTICLE

BRAND LOYALTY AND COMPETITIVE ADVANTAGE A CASE OF BEER PRODUCTS IN KABALE DISTRICT, UGANDA

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ABSTRACT

Brand Loyalty is regarded as a very important concept in business because business organizations can use it to gain competitive advantage. Competitive advantage has been approached by looking at the external environment of the firm that is how the economic power of firms can be used to create competitive position in an industry. This study focuses on Resource Based View a model that provides a framework for identifying unique set of resources and this perspective shifts the approach of assessing competitive advantage from the external to the internal environment that is the resource power. This study, therefore, set out to determine the effect of brand loyalty on competitive advantage in beer products in Kabale district. The specific objective of the study was to (i) To determine the effect of brand loyalty on competitive advantage in alcoholic beer products in Kabale district. The study used a descriptive survey research design. The target population was 1783 including wholesalers, retailers, customers and brand and marketing managers of Nile Special Lager, Eagle Lager, Senator Extra Lager, club and Bell beer products in the District of Kabale, South Western Uganda. Multistage sampling techniques were used in this study. Simple random sampling technique was used to select alcoholic beer products and producers. Purposive sampling technique was adopted to sample shopping center to collect consumer information. Shopping centers were selected based on a marketing investigation. Primary data were used and collected using questionnaires. The descriptive analysis involving computing the mean, standard deviation, skewness, and kurtosis of the brand Loyalty and competitive advantage variables was conducted. The inferential analysis was conducted using multiple regression analysis and the t-statistic and the p-value were adopted to test the hypotheses of the study. The study used the Statistical Package for Social Sciences (SPSS) as a tool to process and analyse data. The findings indicate that brand loyalty has significant positive effect on competitive advantage among alcoholic beer products and producers in Kabale district, South Western Uganda at the 5% percent significance level.The results of the regression model on the effect of brand loyalty on competitive advantage among alcoholic beer products and producers in Kabale district, South Western Uganda indicate that brand loyalty has significant positive effect on competitive. The study concludes that brand loyalty significantly affects the level of competitive advantage in beer brands in Kabale district. The study recommends that beer producers and marketers should put in more commitment in the area of brand loyalty in order that consumers are loyal to its beer products and thus increase their competitive advantage.

INTRODUCTION

Brand loyalty is a measure of the relationship a customer has with the brand. Brand Loyalty ensures the organisation defines the specific target segments it is interested in attracting, and undertakes marketing activities that increase repeat purchasing behaviour and positive word-of-mouth referrals (Keller, 2013) The main objective of the study was to determine the effect of brand loyalty on competitive advantage in alcoholic beer products in Kabale District.

Ho_3: There is no significant effect of Brand Loyalty on competitive advantage among alcoholic beer products in Kabale District.

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LITERATURE REVIEW

Brand Loyalty: In the marketing literature, loyalty has been widely recognized as being of the utmost importance; brand loyalty produces positive word-of-mouth recommendation, and greater resistance among loyal consumers to competitive strategies from rival suppliers. The concept is examined mainly from two broad aspects, which are behavioral (or purchase) loyalty and attitudinal loyalty (Chaudhuri & Holbrook, 2010). Grembler and Brown (1996) describe different levels of loyalty. Behavioural loyalty is linked to consumer behaviour in the marketplace that can be indicated by number of repeated purchases (Keller, 2014) or commitment to rebuy the brand as a primary choice. Cognitive loyalty which means that a brand comes up first in a consumers' mind, when the need to make a purchase decision arises, that is the consumers' first choice. The cognitive loyalty is closely linked to the highest level of awareness (top-of-mind), where the matter of interest also is the brand, in a given category, which the consumers recall first.

Thus, a brand should be able to become the respondents' first choices (cognitive loyalty) and is therefore purchased repeatedly (behavioural loyalty) (Keller, 1998). Chaudhuri & Holbrook (2010) state that brand loyalty is directly related to brand price. Aaker (2013) identify price premium as the basic indicator of loyalty. Price premium is the amount a customer will pay for the brand in comparison with another brand offering similar benefits and it may be high or low and positive or negative depending on the two brands involved in the comparison. Brand loyalty**:** the extent to which people are loyal to a brand is expressed in the following factors:

- Reduced marketing costs i.e hanging on to loyal customers is cheaper than charming potential new customers.
- Trade leverage (loyal customers represent a stable source of revenue for distributive trade.
- Attracting new customers (current customers can help boost name awareness and hence bring in new customers).
- Time to respond to competitive threats (loyal customers that are not quick to switch brands give a company more time to respond to competitive threats)

According to the study by Julia (2017), on The Beauty of Brand Loyalty– a case study of how marketers view Millennials' brand loyalty in the beauty industryshowed that it is important for companies to speak the language of Millennials but still keep a coherent balance among brands. Offering an experience to Millennials makes them more perceptible to brand loyalty, if the experience is positive, and co-creating brand personalities can help in this endeavor as well. Other valuable findings showed the importance of authenticity and credibility together with a full range brand portfolio, due to lower incentives to switch between brands. This study contributes with understanding to how marketers in the beauty industry can work towards achieving brand loyalty Trust and commitment have been explained to create loyalty (Martin, 2004; Morgan & Hunt 1994). Morgan and Hunt (1994) defines trust exist, when one party has confidence in an exchange partners reliability and integrity. They also describe that trust is closely related to state of willingness, where the other party is willing to serve the other and take on some risk concerning to the other. Dimitriades (2006) found also a strong link commitment and loyalty, even though the link between loyalty and satisfaction was much stronger, it was still noticeable. In another research, the results were opposite; trust played a bigger role than satisfaction in the creation of loyalty (Ranaweera & Prabhu, 2003).

Another new element that eventually effect on loyalty was the expectations of a customer. The level of expectations defines and impacts on a customer, and how the customer experiences a service. A customer, with low expectations, will get more satisfied from average service level, than a similar customer with higher expectations (Ball *et al*. 2006). Beerli, Martin and Quintana (2004) studied customer loyalty in retail banking market. Their empirical analysis, constructed on structural equation modeling, demonstrated that both satisfaction and switching costs can be regarded as loyalty antecedents.

Again, satisfaction played bigger role with coefficient of 0,833, when same figure for switching cost was 0,182. Findings also suggest that customer satisfaction is the leading factor for loyalty, and loyalty can be viewed as competitive advantage (Yap *et al*., 2012), because satisfied customer will stay with the same vendor and concentrate all of their businesses with one bank (Reichheld, 1993). Thus, banks should develop their strategies for making their customers more loyal, in other words improving customer retention. Banks should also overcome the problem of customer switching and defecting for gaining competitive advantage (Yap *et al*., 2012). The main reasons that this study's literature research shows how loyalty improves financial performance are *customer retention*, *cost of customer*, *customer behavior* and *improved profitability*. Baldauf *et al.*, (2003) assert that Brand loyalty is the deeply held commitment to re-buy or re-patronize a preferred product or service consistently in the future, despite situational influences and marketing efforts that cause switching behavior. Loyal customers to a brand consider it as their first choice and do not switch to other brands and are less affected by price competition. Urde, (1994) postulates that Loyalty develops via brand usage and in contrast to brand awareness or perceived quality, brand loyalty only exists if people have already bought and consumed a product. Brand loyalty is often characterized by a favorable attitude toward a brand and repeated purchases of the same brand over time.

Brand loyalty is a form of repeat purchasing behavior reflecting a conscious decision to continue buying the same brand(Solomon *et al.,*2001). Loyal customers are less likely to switch to a competitor solely because of price; they also make more frequent purchases than comparable non-loyal customers (Bowen and Shoemaker, 1998). According to Bloemer & Kasper (1995) supports the view that high degree of loyalty among customers provides the firm with a series of spefic competitive advantages. Loyalty having a strong postive effect is manifested in two main directions, reducing marketing cost and increasing the brand's revenue. Customers can manifest their loyalty to a brand in several ways: they may choose to stay with the provider, and they may increase the number of purchases or frequency of their purchases or even both generating higher revenues for the brand. They may also become advocates of the brand, concerned by playing a powerful role in the decision of others, thus reducing the brand's marketing communication costs. The loyalty of the customer base reduces the vulnerability to competitive attacks. Loyal customers perceive very little incentive to try other brands and even if they do, there is a substantial time gap between the ways they receive the information about the new alternative and their decision to try it. Thus, the firm has a significant time to respond to competitive threats and knowing this, competitors are discouraged from spending resources to attract other brands' loyal customers. Homer (2004) reported that brands with high brand equity have high consumer loyalty, brand awareness and perceived quality. The key reason for their strength is the existence of favourable, strong and unique association in the consumer's mind, therefore not requiring a lot of interpretation. According to the study by Bloemer & Kasper (1995) on the complex relationship between consumer satisfaction and brand Loyalty, it was found out that loyalty also generates trade leverage, as loyal customers expect the brand to be always available generating incentives for distribution channels to reference the brand. Research has shown that royal customers are less sensitive and the expense of pursuing new customers is reduced, while the organizational profitability is positively affected by the level of brand loyalty. Brand loyalty can enhance marginal cash flow and profitability as loyal customers often accept to pay a price premium for their favorite brands. According to the study by Joonas (2013), on Gaining Competitive Advantage through Quality of Services in Financial Industry viewed broadly the concept of competitive advantage by exploring it from different angles. Approaches on competitive advantage are made from management, marketing and service quality literature and the purpose of this study was to discover the factors in finance organizations' services, which affects positively on customers by creating customer loyalty. The study is implemented as a qualitative multi-case study so empirical material were gathered and analyzed for this purpose. The empirical material consisted from fifty semi-structured interviews, where the interviewees were selected to meet the criteria of this study. The empirical research was constructed to explore the key factors that affect customers' satisfaction and loyalty within financial industry. The key factors that create competitive advantage through customer's loyalty are personalization, communication, experience, company's reputation and positive experiences from service employees. All these factors were linked to trust, which played a central role with loyalty.

Conclusions indicate that the positive factors for customer loyalty are strongly related with the positive experiences that the customers had with companies' employees, since majority of the cases were linked to experiences from employees, thus the loyalty was depended on employees, not core services. The competitive benefit of customer loyalty came through in four areas: in positive word-of-mouth, in choosing behavior, in duration of relationships and in centralizing behavior. Kamiri (2006) carried a survey on creation and application of brand equity in insurance companies in Kenya. The survey was carried out on 30 insurance companies operating in Nairobi. It was found that application of brand equity is well pronounce in insurance product where image is created through formation of attachment between the brand name and quality. Wambua (2004) when studying on consumer based brand and financial performance found that the correlation between brand equity and organization performance is both positive and superlative. The study was a survey carried out on commercial banks in Kenya, where the sample size comprised of 18 commercial banks.

In Kenya, Mwangi *et.al.* (2007) did an empirical survey on factors that determine brand loyalty in the toothpaste industry. The research was carried out on three toothpaste brands including Aquafresh, Colgate and Close-Up. They found that, several multivariate measurements including customers' perceived value, brand trust, customers' satisfaction, repeat purchase behaviour, and commitment are key factors influencing factors of brand loyalty. Some other factors like price, brand names, time, and first entrants were also found carry an influence on brand loyalty. Kamiri (2006) carried a survey on creation and application of brand equity in insurance companies in Kenya. The survey was carried out on 30 insurance companies operating in Nairobi. It was found that application of brand equity is well pronounce in insurance product where image is created through formation of attachment between the brand name and quality. Wambua (2004) when studying on consumer based brand and financial performance found that the correlation between brand equity and organization performance is both positive and superlative. The study was a survey carried out on commercial banks in Kenya, where the sample size comprised of 18 commercial banks. Kandampully and Suharanto (2000) also said that brand loyalty has been recognized as the dominant factor in a business organization's success. Their study was conducted to identify the factors of image and customer satisfaction that are positively related to loyalty in the hotel industry. They argued that since one of the greatest challenges that hotel firms are facing is ever-growing volume and high competition, it has become imperative for hotel organizations to win a competitive advantage. They suggested two strategies which are most commonly used by hotel managers in order to gain a competitive advantage: (1) low-cost leadership through price discounting; and (2) developing brand loyalty by providing unique benefits to customers. Smith and Wright (2004) investigated the relationship between product value attributes resulting from business process performance, customer loyalty, and financial outcomes, by developing and providing an integrated causal model of company performance in the personal computer (PC) industry. Their study was conducted in two directions: (1) by explaining the determinants of customer loyalty; and (2) by clarifying the relation between customer loyalty and measures of financial performance. The results indicated that measures of customer loyalty directly and differentially influence levels of relative revenue growth and profitability; and that relatively high customer loyalty leads to a competitive advantage in the PC industry. Kroenert, Spalding, Cooper and Le (2005) also examined the potential links between customer loyalty and financial performance in information technology (IT) industry. They used three elements to measure customer loyalty: referenceability; repurchase intentions; and future purchase levels. The result revealed that their customer loyalty index and those three individual components were correlated to the revenue growth percentage for the research period; and the findings uncovered a significant relationship between several of the customer loyalty measures and revenue growth.

Bloemer, Kasper (1995) further assert that the marketing communication spending is also reduced as loyal customers are already confident in the purchase decision and process information. Loyalty also enhances the process of attracting new customers. Satisfied and loyal customers tend to provide brand exposure and reassurance to new customers, through "mouth to mouth" communication. On the other hand, a potential customer has a better evaluation of a brand if that brand is perceived as having a loyal customer base.

MATERIALS AND METHODS

This study was conducted using primary data. The primary data were collected self-administered questionnaires distributed to producers, wholesalers, retailers and consumers of alcoholic beverages in Kabale District, Uganda. The questionnaire was selected as an instrument to collect the data because it is straight forward and less time consuming for respondents. The questionnaires were structured and were administered through drop and pick later method. The target population of the study was the locally 1783 including wholesalers, retailers, customers and brand and marketing managers of Nile Special Lager, Eagle Lager, Senator Extra Lager, club and Consumers of unbranded beer products in the Kabale District. The sample size was determined using the Slovene's formula below :

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

Where

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

Therefore with the target population of 1783 (N)

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

$$n = \frac{1783}{1 + 4.5}$$

n= 324

The sample size was 324 respondents

Therefore the minimum sample size chosen in this study was 324 respondents. Multistage sampling techniques were used in this study. Simple random sampling technique was used to select alcoholic beverages products and producers. Purposive sampling technique was adopted to sample shopping center to collect consumer information. Shopping centers were selected based on a marketing investigation. The choice criterion was that the clubs/bars more than 20 customers per day. A total of 84 hotels, restaurants and bars were chosen for the study and in each of the hotels, restaurants, clubs and bars, 2 customers and 1 manager were chosen for the survey. This is in line with Nworgu (1991) who stated that no fixed number is ideal, rather it is the circumstances of the study situation that determine what number or what percentage of the population that should be studied.

Validity of Research Instrument: To ensure the validity of the questionnaire, expert opinion and content validity index (CVI) were used. The instrument was validated by four experts: Two experts in measurement and evaluation and two content experts. The four experts measured the face validity of the instrument, ensuring that the item/statements addressed the research purposes and questions, as well as the adequacy of the constructs used in the questionnaire. All their criticisms, corrections and suggestions gave birth to the final copy of the instrument used for data collection. The content validity index (CVI) was computed to determine the content validity of the instrument. Amin (2005) notes that the overall CVI for the instrument should be calculated by computing the average of the instrument and for the instrument to be accepted as valid the average index should be 0.70 or above. The CVI was computed in equation below. The CVI was estimated as follows:

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

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

$$CVI = 0.94$$

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

Reliability of Research Instrument: In order to ensure that the research instrument is reliable and can consistently produce reliable data when administered, the researchers adopted are test-retest, split half and Cronbach's alpha. The test-retest reliability method measures the stability of the research instrument. It intends to determine the extent to which a measure, procedure or instrument yields the same result on repeated trials. This was done by administering the research instrument twice on the same set of respondents at different times. The questionnaire was given to 30 respondents. Same instrument was re-administered to the respondents after two weeks. Data collected from the two intervals were estimated with correlation coefficients (Pearson *r*). Hence a reliability coefficient of 0.76 was obtained and presented in Table 1. This indicates that the instrument was reliable for the study. According to Maduabum (2004), an instrument is considered reliable when it has a coefficient ranging from 0.60-0.99. Split-half method measures the internal consistency of the instrument. In this method, research instrument was split into two equivalent halves and the test score correlated together (Oyerinde, 2011). This study employed split halves method to measure the degree to which the items that made up the scale were all measuring the same essential attribute. This was estimated with correlation coefficients (Pearson *r*) and Cronbach's coefficient alpha. Correlation coefficients range from 0.00 to 1.00. Correlation coefficient of 0.00 means no correlation, while correlation coefficient of 1.00 means perfect correlation. The results of the split-half presented in Table 1 indicate that the instrument was reliable for the study. Similar to the test re-test and split-half methods, Cronbach's coefficient alpha is the measure of scale's internal consistency. A Cronbach's alpha coefficient greater than 0.7, is commonly acceptable, as a rule of thumb, as internal consistency of research instrument. As can be seen in the results of the reliability tests presented in Table 1, the Cronbach's

RESULTS AND DISCUSSION

Result

Response Rate and Demographic Characteristics of Respondents: Response rate is usually conducted to ascertain the percentage of the targeted respondents that actually responded to the questionnaire. From the results presented in Table 2, notice that out 324 targeted respondents who were given questionnaires, 312 of them filled and returned the questionnaires. This represents a response rate of 96%. This percentage was considered high and good enough to represent the target population, given the busy schedule of the targeted population. This high response rate was achieved due to marking-up of the minimum sample size by 20% (64), which resulted in distributing 388 questionnaires. The essence of the mark-up is to minimize the problem associated with non-return of questionnaire by some respondents. The questionnaires returned from the field were assessed and found to be duly completed for use in this study. The study presents the demographic profiles of the respondents in Table 3. From the Table 2, notice that majority of the respondents were males with 80.1%, and 19.93% of the respondents were females. The gender of respondents shows that more males consume alcoholic beverages in Kabale, Western Uganda. It also shows that the finding of the study does not suffer from gender bias. Notice also, from Table 2, that that majority of the respondents were aged between 36 – 45 years of age (37.8%), followed by those aged between 46–55 (26.3%).

Table 2:1 Brand Loyalty as an Element of Competitive Advantage

Brand Loyalty:	Competitive Advantage
• Lower marketing costs • Higher effectiveness of marketing communication • Guarantee of a right choice for new customers • Favorable word-of-mouth • Intensive purchase by existing customers • Better access to distribution channels • Better resistance to competitive moves • More time to respond to competitive moves • Lower risk of brand extension higher price elasticity of demand	• Higher margins • Increased market share • Higher return on investment • Entry barrier for rival competitors

Source: Urbanek (2002)

Results of Reliability Tests for the Survey Scale

Number	Type of Reliability Test	Value	Remarks
1	Cronbach's Alpha	0.929	Very Reliable
2	Split-half	Part 1=0.886	Very Reliable
		Part 2=0.884	Very Reliable
3	Correlation Between Forms	0.870	Very Reliable
4	Spearman-Brown Coefficient	Equal Length=0.824	Very Reliable
5	Guttman Split-half	0.823	Very reliable

Source: Field Study 2017

Response Rate

Targeted respondents	Actual respondents	Responses as percentage of targeted respondents
324	312	96%

Source: Response rate analysis (2017)

Gender of Respondents

Gender	Frequency	Percentage (%)
Male	250	80.1
Female	62	19.9
Total	312	100

Source: Demographic analysis of respondents (2017)

Ages of Respondents

Age	Frequency	Percentage (%)
18-24	14	4.5
25-35	73	23.4
36-45	118	37.8
46-55	82	26.3
55 and above	25	8.0
Total	312	100

Source: Demographic analysis of respondents (2017)

Level of Education of Respondents

Level of education	Frequency	Percentage (%)
high school	33	10.6
Certificate	54	17.3
Diploma	113	36.2
Bachelors	96	30.8
Masters	16	5.1
Total	312	100

Source: Demographic analysis of respondents (2017)

Category of respondents	Frequency	Percentage (%)
Consumer	189	60.6
Retailer	104	33.3
Distributor	2	.6
Wholesaler	17	5.4
Total	312	100

Source: Demographic analysis of respondents (2017)

Descriptive statistics for brand loyalty and competitive advantage among alcoholic beer products and producers in Kabale district, South Western Uganda

Variable	Mean	Std Dev.	Kurtosis	Skewness
BrandLoyalty	3.8051	.51479	3.366	.046
CompetitiveAdvantage	3.6355	.36519	3.856	.057

Source: author's computation (2018)

Collinearity Statistics

Construct	Tolerance	VIF
BrandLoyalty	0.627	1.594

Source: author's computation (2017)

Variable	B	Std. error	t-stat.	p-value
BrandLoyalty	0.165	0.055	3.020	0.003

R=0.75; R2=067; Std. error=0.01; Durbin-Watson=1.97; F(7, 304) = 16.24 [0.00] Source: author's computation (2017)

Results of brand loyalty and competitive advantage among alcoholic beer products and producers in Kabale district, South Western Uganda

Variable	Coefficient	T-Statistics	Significance
Brand loyalty	0.165	3.020	0.003

Source: author's computation (2017)

The least of the respondent were those aged between 18 – 24 years (4.5%). These indicate that the respondents were adults. The study requested the respondents to indicate their level of education. Notice from Table 3 that diploma education is the level of education with the highest response rate. From the table, 36.2% of the respondents indicated their highest education level as diploma. This is followed by bachelors and certificate education, with 30.8% and 17.3% respectively. The respondents with masters' degree are the least sampled with 5.1% response rate. Table 2 indicates that all of the respondents sampled in this study have formal education. Data was collected from the respondent on their beer brand. From Table 3, see that majority of the respondents take Nile beer (29.5%), closely followed by Club beer with respondents rate of27.9%. The least brand of alcohol consumption according to the respondents was local beer with a 9.3% response rate. These imply that Nile beer is the favorite for respondents sampled. The lowest respondents were local beer with a 9.3% response rate. These imply that Nile beer is the favorite for respondents sampled.

Category the Respondents: Majority of the respondents were consumers with 60.6% response rate. The consumer category was followed by retailers with 33.3% response rate. The category of respondents was distributors with a 0.6% response rate. As shown below, the respondents include alcoholic products consumers and producers representative.

Descriptive Statistics for Brand Loyalty and Competitive Advantage: Descriptive statistics of the brand loyalty and competitive advantage of alcoholic beer products and producers in Kabale district in South Western Uganda. As shown below the average and standard deviation of brand loyalty (3.4). These imply that majority of the respondents agree with brand equity. The corresponding standard deviation is 0.3. This indicates minimal variability from the mean responses. Skewness and kurtosis represent the nature of departure from normal distribution. In a normally distributed variable, skewness is zero (0) and kurtosis is three (3). Positive or negative skewness indicate asymmetry in the variables and kurtosis coefficient greater than or less than 3 suggest peakedness or flatness of the data (Decarlo, 1997). The skewness values for the brand loyalty (0.04) and competitive advantage (0.05) are close to zero. These imply that variables of this study are approximation of normal distribution. The implication is that there are normal changes in the variable as predicted by normal distribution. Similar to skewness, the kurtosis coefficients for all the variables are approximately 3, thus provide support for normal distribution in the variables (Wilcox and Keselman, 2003).

Analysis of Multicollinearity in Brand loyalty Variable: Multicollinearity exists whenever two or more of the predictors in a regression model are moderately or highly correlated. It is a state of very high intercorrelations or inter-associations among the independent variables. It is therefore a type of disturbance in the data, and if present in the data the statistical inferences made about the data may not be reliable (Gujarati, 2003). In the presence of high multicollinearity, the confidence intervals of the coefficients tend to become very wide and the statistics tend to be very small.

It becomes difficult to reject the null hypothesis of any study when multicollinearity is present in the data under study (Tsay, 2005). The presence of multicollinearity in study was evaluated using Tolerance levels and the Variance Inflation Factor (VIF). The decision rule for the Tolerance level is to accept absence of multicollinearity if the tolerance level is greater than 0.5. Similarly, there is absence of multicollinearity if the VIF if less than 3. Notice from the Table below that the Tolerance level is greater than 0.5 in the variable of brand loyalty, and the intervening variables (price level and product innovation). These indicate evidence of absence of multicollinearity in the predictor variables. Similarly, coefficients of the VIF are less than 3 for all brand loyalty variable. Hence, provide support for the absence of multicollinearity shown by the Tolerance level. Consequently, there is no existence of multicollinearity in the predictor variable. They are therefore good for empirical analysis.

Results of the effect of brand loyalty on competitive advantage among beer products and producers in Kabale District, South Western Uganda: The value of R^2 is 0.67. This indicates that 67% of the total variation in competitive advantage is accounted for by brand equity, price level and product innovation. The F-statistics indicate that the coefficient of brand loyalty, excluding constant, are not zero. This is evident in the p-value (0.00) of f-statistics is less than the critical value (0.00). Standard error of estimate represents the imprecision of the regression equation in fitting the data.The closer the coefficient of standard error of estimates to zero, the better and more reliable the analysis.

Results of Brand Loyalty and Competitive Advantage of Alcoholic Beer Products and Producers in Kabale District, South Western Uganda: The results of the regression model estimates of the effect of brand loyalty on competitive advantage among in alcoholic beer products and producers in Kabale district, South Western Uganda. Observe from Table below that brand loyalty has significant positive effect on competitive advantage among in alcoholic beer products and producers in Kabale district, South Western Uganda at the 5% percent significance level. This is clear from the significance of the *t*-statistic (3.020) which is greater than the theoretical *t*-statistic (1.96), and the *p*-value (0.003) which is less than the study significance level (0.05). This evidence of positive effect of brand loyalty on competitive advantage is in agreement with the theoretical postulation and *apriori* expectation outlined in Section 3.7. Theoretically, brand loyalty should enhance competitive advantage (Aaker, 2003; Keller, 2013).

Hypothesis 3

H_{03}There is no significant effect of Brand Loyalty on competitive advantage among alcoholic beverage products and producers in kabale district, south western Uganda.

Decision: Based on the decision rule outlined in Section 3.8, the above results are contrary to the stated null hypothesis (H_{03}) since the computed *t*-statistic (3.020) of the brand loyalty coefficient is greater than the theoretical t-statistic at the 5% significance level (±1.960). Similarly, *p*-value of the effect of brand loyalty on competitive advantage (0. 003) is far less than the significance level (0.05), there is significant effect of brand loyalty on competitive advantage in alcoholic beer products and producers in Kabale district, South Western Uganda. Hence, we reject the null hypothesis of no significant effect of brand loyalty on competitive advantage among alcoholic beer products and producers in Kabale district, South Western Uganda. Consequently, H_{03} is rejected.

DISCUSSION

The study set up to determine the effect of brand loyalty on competitive advantage among alcoholic beer products and producers in Kabale district, south western Uganda and this was done through testing the third hypothesis (Ho3): There is no significant effect of Brand Loyalty on competitive advantage among alcoholic beverage products and producers in Kabale district, south western Uganda. The results of the regression model on the effect of brand loyalty on competitive advantage among alcoholic beer products and producers in Kabale district, South Western Uganda indicate that brand loyalty has significant positive effect on competitive advantage among alcoholic beer products and producers in Kabale district, South Western Uganda at the 5% percent significance level. This is clear from the significance of the *t*-statistic (3.020) which is greater than the theoretical *t*-statistic (1.96), and the *p*-value (0.003) which is less than the study significance level (0.05).Hence, we rejected the null hypothesis of no significant effect of brand loyalty on competitive advantage among alcoholic beer products and producers in Kabale district, South Western Uganda. The findings therefore indicate that brand loyalty significantly affects competitive advantage among beer products and producers in Kabale district, south western Uganda.

The above results are consistent with findings reported on brand loyalty variable in previous studies as indicated below: The findings by Amegbe (2016) on Internal Branding and the Competitive Performance of Private Universities in Ghana, supports the findings of this study as indicated by the regression analyses that there is a positively related predictive power of private universities performance by brand loyalty. The findings by Dina (2017), also confirm that brand loyalty was a strong dimension influencing brand equity and hence in agreement with this study findings. The findings by Reuben (2014), also supports the above results by showing that brand loyalty is the most dominant factor established whose platform should be built by the other three dimension of brand equity to enable a firm to influence choice habits amongst consumers. The study by Chengxiao, (2014) further affirms the findings of this study and agrees with the above findings by indicating that brand loyalty is positive related to brand equity and firms performance. Beerli *et al*, (2004) who studied customer loyalty in retail banking market found out that customer loyalty is a source of competitive advantage and (Yap et al. 2012), reaffirms this by saying that satisfied customers will stay with the same vendor and concentrate all of their businesses with one bank and Joonas (2013), supports the above findings hence backing the findings of this study that brand loyalty has significant effect on competitive advantage among alcoholic beer products in Kabale district south western Uganda.

Conclusion and Recommendation

The study concludes that brand loyalty significantly affects the level of competitive advantage in beer brands in Kabale district, south western Uganda and beer brand managers need to direct resources towards enhancing their brand loyalty so as to sustain their competitiveness. The study further recommends that beer producers and marketers should put in more commitment in the area of brand loyalty in order that consumers are loyal to its beer products and thus increase their competitive advantage.
Beer brand managers and producers in Kabale need to engage in activities that emphasis the reason to re-buy beer products.

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