Impact of new brand on the sales performance of existing brands: The case of Heineken breweries S.C. Ethiopia, Addis Ababa region.

A thesis submitted to the school of business and economics in partial fulfillment for degree of Master of Business Administration

Prepared by:

Tewodros Lebasi GSR/5861/06

Advisor:

Se Jung YONG (professor)

Adama Science and Technology University
School of Business and Economics
Department of Management
MBA program

July, 2015
Adama, Ethiopia

Approved by Board of Examiners

As members of thesis approval board of examiners we certify that we have read and examined the thesis prepared by Tewodros Lebasi Reday entitled "Impact of new brand on the sales performance of existing brands: In the case of Heineken breweries S.C. Ethiopia, Addis Ababa region" and submitted in partial fulfillment of the requirement for the degree of Master of Arts in Business Administration which complies with the regulation of the university and meet the accepted standards with originality and quality.

Approved by board of examiners

____________________	__________	__________
Advisor	**Signature**	**Date**
____________________	__________	__________
Internal Examiner	**Signature**	**Date**
____________________	__________	__________
External Examiner	**Signature**	**Date**
____________________	__________	__________
Chair person	**Signature**	**Date**

ACKNOWLEDGEMENTS

I want to express my greatest pleasure for Pr. Se Jung YONG, advisor. I want to thank him for answering my frequent questions without any hesitation, for his countless suggestions, comments, assistance and invaluable advice.

I would like to thank Mr. Abdu and his colleagues for their cooperation and advice. They helped me by proving me the different information I needed for my study. I saw their openness and kindness to help me and others as well.

My heartfelt and deepest gratitude is also to my wife, Radi Ali. She has made her support in a number of ways. She has been besides me until this study is accomplished.

Lastly, I extend my regards to my best friends who were always been there for me when I needed them and for all of those who supported me in any respect during the completion of the thesis.

Tewodros Lebasi

The researcher

Table of content

List of Acronyms

S.C	Share company
CL	centiliters
UNECA	United Nations Economic Commission for Africa
SPSS	Statistical Package for the Social Sciences

List of tables

List of figures

Abstract

These day firms are doing business in a very dynamic, turbulent and tough market. Buyers have more information about the market and the product, and they have choices and different suppliers in the market. Therefore, Customer may simply shift from their supplier for a superior quality product with a fair price.

Since today's business environment is very competitive, firms are striving to survive by implementing different business strategies. Consumers and customers have different choices and options to pick in the market today. The availability of portfolio of products in the market makes the selling and surviving very struggling, so firms are expected to come up with something to withstand competitors and one the strategies firms implanting is new product development. But launching new brand to the market might and might not be successful always. It may have a consequence. Thus, this study investigates the impact of the new brand on the sales performance of existing brands in the case of Heineken breweries Ethiopia S.C. The study was conducted in Addis Ababa city. The variables used to study the impact of the new brand are price, taste, brand name, package and quality. A quantitative research approach was used to conduct the study. Both primary and secondary data were collected for this study. Primary data by questionnaire and secondary data from trade and marketing department of the company were collected. The findings of the study revealed that the sales volume of all existing brands of the company has declined due to the new brand and the most affected existing brand of the company as a result of the new brand is Hakim stout 33cl, the second affected brand is sofi lemon. Therefore, the company has to focus on the price, taste, brand name, package and quality of existing brands so as to increase the sales of these brands.

CHAPTER ONE
INTRODUCTION

1.10 background of the problem

The study focuses on examining the impact of the new product (WALIA BEER) on the sales performance of other brands of Heineken breweries S.C

Product innovation is a high risk war the battle being fought both behind a company's doors and against the completion but with all the effort companies exert to become product leaders, over a third of their new products still fail at launch, and many more never gain a profitable return (Roger, 1999.)

The new product idea must be tested not only in the market place, but also with in the firm to determine its fitability with the sales organization, marketing organization, the current and anticipated capabilities in development engineering, and the interchangeability of the product in to the manufacturing organization (Marc A., 2003.)

The process of creating new products involves almost every department in the organization. Many companies have/create a new product development team. The team includes representatives from the purchasing department, the research and development, the production area, accounting and marketing. The purchasing and accounting representatives contribute financial data regarding the new product. The purchasing representatives contacts vendor and provides materials cost information to the team. The accounting representative uses the material cost information, estimated labor costs and calculates the total product cost and it also calculates a potential profit margin using the anticipated selling price from the marketing department (Kathy Adams, 2001.)

Whenever having different portfolio of brands under one roof, it is very important to keep selling all the items produced. Through research and development department, new products may be tested and produced but without losing a portion of profits obtained from the existing products it is crucial to stay in the business. Now, the problem is what if the newly launched/ positioned product is killing the sales volume of the other brands of the same company? By observing, investigating and studying the impact of the newly positioned product, firms can develop a strategy to overcome the cannibalization created due to the new product. Everything has a cost, starting from market assessment up to production and delivery. Therefore, an effort has to be made in order to be competent in the market by selling all the product mix and by generating a profit out of it.

1.11 background of the organization

Heineken is the third largest international beer company, with around 140 breweries in more than 70 countries. The company has over 250 brands worldwide. Its principal global brand is Heineken, the world's most valuable international premium beer brand. In its global portfolio Heineken sits alongside a number of international premium, regional, local and specialty beers and ciders. Heineken operates its business in five regions globally.

Africa and Middle East

Africa offers huge potential. Its portfolio of leading international and domestic brands, investment in production capacity and leading commercial capabilities are company's drivers of growth today and in the future.

The Americas

The strong performances of the company's businesses across the region are the direct result of its balanced portfolio strategy, continued investment in company's brands and excellent execution.

Western Europe

Through product innovation, continued brand investment and forging strong partnerships with modern-trade retailers the company have further reinforced company's leadership positions across the region.

Asia Pacific

Asia Pacific is one of the world's most exciting opportunities for beer, offering favorable demographics and economic growth. Through HEINEKEN Asia Pacific, the company has direct access to important markets and a strong brand portfolio.

Central and Eastern Europe

Value focused strategy in the region is delivering strong results for Heineken® and company's regional premium brands. Product innovations continues to be an important source of growth (www.heinekenglobal.com)

The company entered the Ethiopian beer market after acquiring Harar and Bedele breweries in 2011 at a cost of 78.1 million dollars and 85.2 million dollars respectively. It was the second foreign company to inter the local beer market after BGI acquired St. Georg beer in 1998 for 10 million dollars. Heineken would have had a near monopoly of the formerly state owned beers, had not its bid of 188 million dollars for Meta Abo brewery, the last remaining in the government's hand, been beaten by Diageo. The later, a London based liquor giant known for its Guinness beer and Johnnie Walker Whisky brands, offered the winning bid for 228 million for the brewery. In moving towards the capital market, Heineken Ethiopia successfully built new brewery at a place called Kilinto which is near to Addis Ababa and successfully launched its leading brand Walia beer. In addition, as an international brand, Heineken is making a move to have a noticeable presence in the capital Addis because that is where most foreigners are living in and visiting Ethiopia are located. And now, Heineken Ethiopia creating more job opportunities and contributing to the economic development of the country.

1.12 Statement of the problem

As a company, Heineken breweries S.C. has different portfolio of products produced in Ethiopia. namely Harar beer 33cl, Harar sofi 33cl, Harar sofi lemon 33cl, Bedele regular 33cl, Bedele special 33cl, Bedele special 50cl, Hakim stout 33cl and the new product WALIA beer 33cl. As of September 2014, the company has launched this new beer "Walia" to the market. Ever since the introduction of this new product, the sales volume of other brands of the company declined greatly.

According to Lomax, et al (1997), product cannibalization as a condition where a new product become more famous and consumed more at the cost of other previous brands. If other existing brands of the company are not sold it is a waste and a cost for the company because there are resources used to produce these existing brands. Most of the sales trucks in Addis Ababa carries and delivers 60% walia beer and 40 % other existing brands of their loading capacity but almost all of the trucks comes to the warehouse with 0% of walia return and most of the time 50% return of the existing brands and sometimes even 100% return of the existing brands. The reason for this is the increasing number of consumers who prefer walia beer among others. As a result, most outlets (hotels, bars, restaurants) would like to purchase walia beer and deliver it for the final consumer.

Therefore, as a company with all those brands, it is very important to have different strategies to sale existing brands. Unless the company starts to have some sort of strategy to sell the other brands, it will fail because having all these brands and leading the market by selling only one of its brands doesn't ascertain the success of the company.

1.4 Research questions

Having the main objective of investigating the new product's impact on existing brands, the research has tried to answer the following question.

- What impact does the new product has on the existing products?
- Which existing product is the most impacted?
- What is the reason for the impact?
- What can be done to solve the problem?

1.5 Objectives of the study

The research strives to achieve the following general and specific objectives

1.5.1 General Objective

The general objective of the study was to investigate the impact of the new beer "walia" on the sales performance of the existing brands of Heineken Ethiopia breweries S.C.

1.5.2 Specific Objective

The specific objectives of this study were the following.

- ➢ To examine the effect of the new product.
- ➢ To identify the most affected existing product.
- ➢ To investigate the reason for the impact of the new brand.
- ➢ To provide suggestions for the problems at hand.

1.6 Limitations of the study

The findings of the study only focus on Heineken breweries s.c. therefore, it is difficult to generalize the study's finding for the whole beer industry. Besides this, the data was collected only from Addis Ababa which can limit the generalisablty of the findings of this research. The other limitation is that the study uses secondary data from sales data from the sales department therefore; the data to be gathered may not be accurate. Not only these but also time was one of the limitations that the researcher faced. Shortage of related literatures in the area was the major limitation.

1.7 Delimitation of the study

The study would be very fruitful in delivering many findings if it covers the entire industry's new product launch. The study is limited in Heineken breweries s.c. Besides, the study was scoped in investigating the impact of new product on the sales performance of the previous brands, I.e. Harar and Bedele, Sofi, Hakim stout, and sofi lemon. The reason this research focused only on the sales performance is because recently the company is losing a profit share from existing brands. Therefore, the study was scoped in looking at the impact on the sales performance.

1.7 Significance of the study

The study was very important because it tried to investigate the impact the new product (Walia Beer) on the sales performance of the previous brands. It also tried to find out the extent of the effect of the new brand so that the findings from this study will be used to point out some strategies to reduce the impact. The result f this study will be helpful for marketing strategists to formulate different methods and strategies to sale existing brands. Besides, the findings of the study may be used as a reference for other similar studies in the same area in the future. So, it is expected that this research can contribute a lot to the efforts made by Heineken to lead the beer market in Ethiopia.

1.8 organization of the study

This research project is organized in four chapters. The first chapter contains the background of the study and the company, statement of the problem, objective of the study, research delimitation, limitation & significance of the study. The second chapter addresses the literature review including definitions & concepts of relevant topics in line with the objective of the study. The third chapter presents the methodology of the research which includes description of the study area, research approach, research design, target population, sample size determination, data type and source, method of data collection and method of data analysis. The fourth chapter provides the data analysis results and discussion. The fifth chapter presents the summary and conclusions of the major findings of the research and recommendation.

CHAPTER TWO
LITREATURE REVIEW

2.1. Introduction

Almost every firms in the industry offer multiple products or services. It is very difficult for a firm to stay competitive in the market by providing a single product or service. Firms nowadays are providing mix of products and services. Different products in the line provide or contribute differently to the sales and profits. In a situation where only some products in the line takes the lion share of the contributed sales profit, it means that particular product line is might be at risk when rivalry increases because sales of this some products could drop significantly (Tony proctor, 2002.)

Introducing new products has always been a very well known strategy for firms planning to grow (Reddy, Holak, and Bhat 1994). Many of these new product introductions are in the U.S. in the food and beverage sector. Particularly, the food sector has shown very higher popularity because people perceived that these new products have reduced the risk of certain diseases and health related problems.

A ‘new product’ can be defined in several different ways. A product is a physical entity or a cluster of expected customer benefits, depending on whether the perspective adopted is that of the business or that of the market. From the point of view of a business, a product innovation may represent a change in, or addition to, the physical entities that make up its product line. From a market point of view, it means a new or revised set of customer perceptions about a particular cluster of benefits. Thus, that which is considered a product innovation by a business enterprise may not be recognized as such by its customers. A new product is something that is new in any way for the company concerned (McCarthy E.J., Perreault W.D. (1993.**)**

2.2. Cannibalization

Product Cannibalization refers to decrease in sales volume or sales revenue or market share of existing/previous product due to the introduction of a new brand by same manufacturer or by competitors. Normally product cannibalization may consider negative, even in the context of a carefully planned strategy. By increasing the total sales volume of a company’s product, or superior consumer demands, it is possible to be efficient (Kallepalli Madhavi, 2014). It is one of the biggest issues for companies with multiple products in similar markets. Product cannibalization is the most pressing concern in product portfolio analysis. Product cannibalization is a situation by which a new product gets sales by turning sales from an existing product. Cannibalization is a major problem for many firms and it needs a careful analysis and strategy to alleviate it.

Lomax, Hammond, East and Clemente (1997) described product cannibalization as a condition where a new product become more famous and consumed more at the cost of other previous brands. And when this behavior continues to happen, consumers may cease buying the old products. And this is the case of the problem under investigation.

According to a study by Holleran (2005), Mason and Milne (1994), successfully introducing new products is not an easy task and this is because of the increase in advertisement cost and competition within distribution channels and outlets. Customers are generally committed for the brand they trust. Therefore, firms have started using line extension to improve the firm's ability. Line extension is the use of an existing brand to provide a new product for similar class or category, but the new product differs from the previous one in some ways. Still cannibalization is the one of the basic problems that firms face when they produce and sell many products by using line extension (Reddy, Holak, and Bhat 1994).

Heskett (1976, p. 581) has defined cannibalization as a situation when a new product gets higher sales volume by taking it from the existing products. Another study by (Abere et al. 2002), have used the definition of Heskett to quantitatively measure the effect of cannibalization on the orange sector by using unit divergent ratios or sales diversion ratios. Unit diversion ratios (*uji*) measures the change in quantity of *j* due to a unit change in quantity *i.*

Another study about cannibalization of remanufactured products conducted by Atalay et al, (2010) suggested that cannibalization is not a basic problem when the remanufactured products are perfectly substitutes for new products. This study tries to show how and when remanufacturing add additional value to an original equipment manufacturers which opposes to the most raised dispute that it would cannibalize new products sales and adversely affect profits.

2.3. Types of cannibalization

Kallepalli Madhavi (2014), classified cannibalizations by three. They are Multi-product pack cannibalization, intra- product cannibalization and inter-product cannibalization. Multi-products are sold as one but could be sold separately. Mostly, the total price for the pack product is less than the sum of the price for the single product in the pack as a result the pack will be preferable by buyers than single products. Intra product occurs as a result of the rivalry between different products with same or similar functional characteristics and same target market.

The third type i.e. inter-product cannibalization happens with the same product line. When the products are the same in terms of content, quality standard, duration, price range and form one product line in a company's portfolio. The competitions between these products can tiger cannibalization within the line. In general inter-product cannibalization is preferable since it increases the choices of customers and it also increases the possibility for the seller to offer a product that suits the customer's needs.

2.4. The Product Life Cycle

When new brand is planned for new markets, there is a great need for marketing strategy formulation. The reason for this is that products have life cycles and pass different stages. All product life cycle has its own limitations and opportunities that need the flexibility of the marketing strategy. Products might spend different length of time in each stage. There is a problem to use product life cycle as a tool to make management decision because some products jump some stages very fast and stay for relatively longer time at another stage. Furthermore, some products might come being a style again after they become obsolete in the market. Therefore, this problem and others have opened the door to criticize the product life cycle to be used for planning purpose (Tony proctor, 2002.)

2.5. Product Development Strategy

Launching of new products has a very good impact on sales growth. Even thought profit may not increase initially because there are considerable launching costs and researches and development related with the project has to be returned. It is expected from the new product that the investment on capital employed to be returned on Longer-term. This idea might not work for firms and they have to tolerate the probability or even certainty of small turnover. Forecasting demand for new products is tough and hence so is the estimation of profit potential (McCarthy E.J. & Perreault W.D. 1993.)

2.6. Impact of New Product

A number of studies have looked at the impact of the introduction of new products. One study by Thomas, (et al. 2002) studied the impact of new product launch on similarity thoughts consumer feel with previous products. The study found that lunching new brands with identical characteristics with previously launched brands will result the new product to be considered less new.

Similarly, a study by Pan and Lehmann (1993), found that, when a new product in a product category is placed with the same intention characteristics to a previous brand, the existing brand will be considered as more close to the new product and less closer to the existing brands. Another study by Peter W. Roberts and Susan McEvily (2000) showed that, the market share remains higher in products which significantly contribute to the total sales of the firm over the testing period. There is also evidence about the huge negative impact on a firm's market share when a competitor lunches new products to the market.

2.7. The Influence of Product Variety

A study by Jonah Berger *et al.* (2007), proposed that the variety of a brand offer is very important to indicate quality and therefore, influences consumers' choice. According to this study, there are other six studies that support this proposition and demonstrate the fact that compared to brand offering fewer products, brands which offer more variety of product are perceived as higher quality, higher perceived quality generates a greater choice share of the higher variety brand, even among consumers who select options that multiple brands offer.

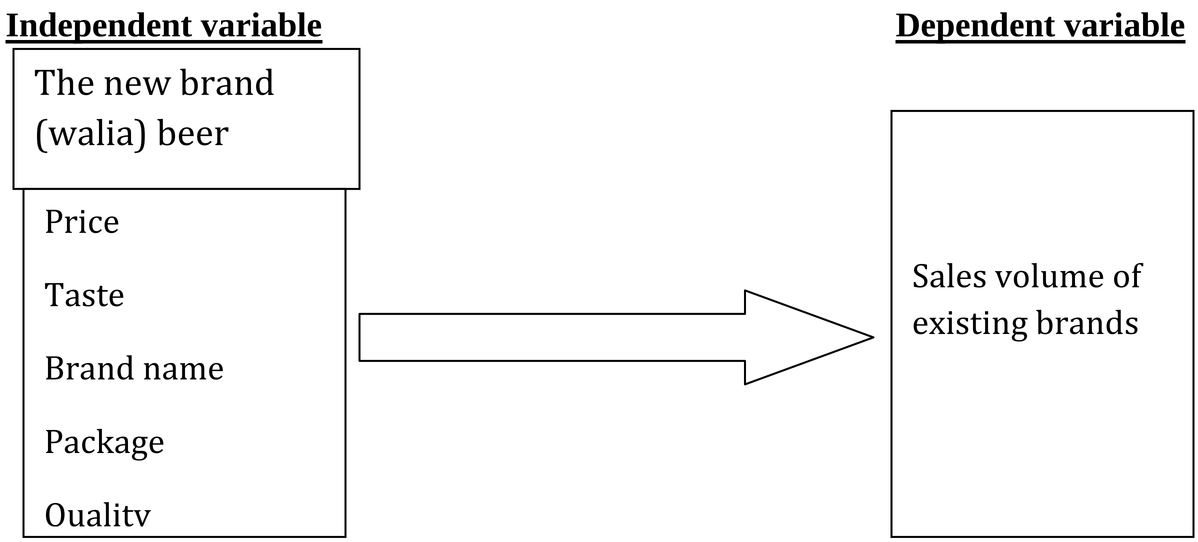
The product line decision is one of the most important decisions a firm can make. Firms often design their product line by segmenting their market on quality attributes, reflecting consumers' preferences to higher quality over lower quality products (vertically differentiated). An immediate problem of introducing products with different qualities is cannibalization, as some products may serve as partial substitutes for others and consumers choose the product that maximizes their utility (Mark E. Ferguson, Oded Koenigsberg, 2006)

Product variety and the availability of products has a high impact on the retailers' sales volume, and as a result gross profits and product mix/assortment/ planning has been the focus of many industry studies, mostly concerned with whether assortments were too broad or narrow. Retailers have increased product selection in all merchandise categories for a number of reasons, including heterogeneous customer preferences, consumers seeking variety and competition between brands (A. G¸rhan Kˆk, Marshall L. Fisher, Ramnath Vaidyanathan, 2006.)

2.8. Conceptual framework of the study

Based on the above discussion of the literature, the research tried to investigate the impact of the new brand. The study used the following diagram to visualize the problem under investigation. The model shows the new brand as independent variable and impact on existing brands as dependent variable.

Figure 2.1: conceptual framework of the study



The study investigated the impact of new product on the sales performance of the existing brands of Heineken. One of the research objectives is to investigate the reason for the higher consumption of the new brand.

CHAPTER THREE
METHODOLOGY

This part consists of the overall methods for the research. It includes the research design, data source and data collection methods and the data analysis method.

3.1 description of the study area

3.1.1 Location and demographics

The study was conducted in Addis Ababa sometimes spelled Addis Abeba region which is the capital city of Ethiopia. It is the largest city in Ethiopia. Based on the 2008census, it had population of 3,384,469 with annual growth rate of 3.8% with in an area of 527 square kilometers. As a chartered city (ras gez astedader), Addis Ababa has the statues of both a city and a state. It is where the African Union is based. The city also hosts the headquarters of the United Nations Economic Commission for Africa (UNECA) and numerous other continental and international organizations. Addis Ababa is therefore often referred to as ''the political capital of Africa" (http://en.m/wiki/Addis_Ababa.)

The city is populated by people from different regions of Ethiopia – the country has as many as 80 ethnics speaking above 80 languages and belonging to a wide variety of religious communities. (http://en.m/wiki/Addis_Ababa.)

Figure 3.1: Map of Addis Ababa city

Source: www.googlemap.com

3.2. Research approach

Qualitative business research is research that covers business objectives by different methods that allow the researcher to provide elaborated explanation of market trend without depending on numerical measurement. Its center is on finding out accurate meanings and new approaches. Qualitative research is very widely applied in practice (Zickmund et.al 2009.)

Quantitative business research is business research that addresses research objectives through empirical assessments that involve numerical measurement and analysis approaches. Qualitative research is more apt to stand on its own in the sense that it requires less interpretation. For example, quantitative research is quite appropriate when a research objective involves a managerial action standard (Zickmund et.al 2009.)

Thus, the research used both the quantitative research approach. Since the data to be collected is more of the numerical aspect, quantitative approach will be applied more to investigate the impact of the new brand on the sales performance of the existing brands of the company

3.3 Research Design

The three types of research design are descriptive, causal and exploratory research design (Malhotra, 2011). Descriptive research design deals with something that can be measured statistically and counted numerically in a study. Thus, descriptive research is known as statistical research as well and with gathered data it can describe characteristics of a population or phenomenon. Unlike exploratory research, descriptive research is preplanned and structured in its design therefore the data collected can be inferred on a population. The basic idea behind using this design is to better describe an idea or opinion, attitude, or behavior of a group on some subject. The aim with this type of research is to answer *who*, *what*, *where*, *when*, *how*, and *why* questions (Bryman, 2012). Thus, a descriptive research design is used in this study because it is very appropriate to the characteristics of the purpose of the study.

3.4. Target population and sampling

The study was undertaken to investigate the impact of the new brand beer on the existing brands of the company. The research also entirely focuses on Heineken breweries Ethiopia and the target population of the study were consumers of Heineken brewery products in Addis Ababa city. However, the population of this study was infinite meaning that it is difficult to quantify the total number of beer consumers in Addis Ababa. But the target population of this research were defined as those Heineken products consumers who are 18 age and above. The research used non probability sampling technique. For the sake of simplicity and efficient use of time and resource convenience sampling was used from the non probability method.

3.5 sample size determination

One of the questions that a researcher typically asks, concerns the number of subjects that need to be included in the sample. Technically, the sample size depends on the accuracy the researcher wants in estimating the population parameter at a particular confidence level. There is no single rule that can be used to determine the sample size. (Yogesh Kumar Signh, 2006). The sample size of the study was calculated statistically and the equation found the required number of the sample size.

Figure 3.1: Sample size determination for infinite population

$$n = \frac{Z^2pq}{e^2}$$

where,	where
e = the magnitude of error	e = .05
n = is the sample size	z = 1.96
z = the value of Z which is determined from the desired level of significance	
p = the sample proportion	p = 0.3
q=(1-p) is the proportion of the sample in which the characteristics doesn’t appear	**q=0.7**

Source: (Rohit, 2007)

Therefore,

$$n = \frac{Z^2pq}{e^2}$$

$$n = \frac{1.96)^2 * 0.3 * 0.7}{(0.05)^2}$$

n = 323,

Thus, a total of 323 people who consume the company’s product were selected to be the sample size and the determined sample size is believed to be large enough to conduct the study.

3.6. Data types and source

The study used both primary and secondary source of data to investigate the impact of the new product on the existing products.

3.6.1 Secondary Source

The study utilized secondary data from different sources. Books about new product, articles and reports from the company published papers, and internet websites. The reason for using secondary source of data is that, the research mainly focused on investigating the impact of the new product on the sales performance of the existing products therefore, the sales data obtained from the sales department (the company) and from other published and unpublished sources was assumed to be very much helpful for the purpose of analyzing the effect of the new product on the sales performance of the existing brands.

3.6.2 Primary Sources

To analyze the quantitative characteristics of the phenomena, it depends on collecting the primary data by questionnaire as a main tool for the study. An advantage with primary data is that it is information tailored-made to fit the specific purpose of the research. Further, this type of information is advantageous since it is always up-to-date. Disadvantage with primary data is that it is costly and time consuming to collect such information. There is also a risk of a low response rate when gathering primary data since the quality of the outcome depends on another party’s ability and desire to participate (Bryman & Bell, 2011)

3.7 Method of data collection

The method used to collect primary data was questionnaire and observation. English and Amharic version of the questionnaire were prepared and distributed in Addis Ababa city. The questionnaire consists of two parts. Part one was prepared to gather information about respondents, gender, age, education, occupation, monthly income and for how long respondents have been consuming beer.

The second part was prepared to collect information about the impact of the new brand on the existing brands of Heineken brewery. This part consists of 26 questions totally and investigates the impact of the new brand on the sales performance of the existing brand. These 26 questions were divided in to six factors. The first factor, Price consists of 4 questions. The second factor, Taste consists of 4 questions. The third factor, Name consists of 3 questions. The fourth factor, Package consists of 3 questions. The fifth factor, Quality consists of 5 questions and the sixth factor, previous brand choice consists of 7 questions. .

The questionnaires were distributed for those of beer consumers who were consuming the new walia beer and the questions were assessed by using a five point scale. For each question of the questionnaire a number was assigned to indicate strongly disagree measured as 1, disagree measured as 2, neutral measured as 3, agree measured as 4 and strongly agree measured as 5. The researcher preferred to use the scale, because it is easy to prepare and interpret and it is also simple for the respondents to give response (Kothari, 2004).

Friday, Saturday and Sunday were peak beer consumption days of the week. Since majority of people would like to have fun drinking beers prefer this days due to the fact that there is no work for most especially on Saturdays and on Sundays. The other most convenient times for collecting data were, lunch and dinner times.

3.8 Data analysis

After the primary data and the secondary data were collected through questionnaire and form the company respectively, the process of data analysis was begun. The data in this research was analyzed using statistical tools like frequency, mean, standard deviation.

A descriptive analysis was used for each variable under investigation and it was also used for the demographic factors such as gender, age, occupation, and income and education status. To analyze the quantitative data, the researcher used SPSS software version 20.

In order to reduce the possibility of getting wrong results, the researcher took different actions to ensure the reliability of the study. The actions were:

1. Data was collected from reliable sources, from respondents who are consumers of company's products.
2. SPSS software version 20 was applied to analyze the data and the researcher greatly focused during data coding and entry.

CHAPTER FOUR

DATA ANALYSIS AND INTERPRETATION

In this chapter, the data collected from both sources are analyzed and interpreted using quantitative analysis and descriptive analysis which involves the analysis of demographic information of respondents and to investigate the influence of independent variable into dependent variable. The first analyzed data is secondary source of data. The below table contains the company's sales volume from different brands over the period of 4 years and 4 months.

4.1 Existing brands and new brand sales volume

The table presents the total sales volume of the different brands of the company. The sales data of the different brands is presented in hectoliters.

Table 4.1.1 Existing brands and new brand sales volume

	Yearly sales volume of Addis Ababa region (in hectoliters)				April	
Brands	2011	2012	2013	2014	2015	Total
Harar 33c	17,562	26,621	27,771	14,682	3,451	90,087
Bedele regular 33cl	4,005	5,287	17,648	8,795.52	769.94	36,505
Hara Sofi 33cl	1,168	4,237	10,236	5,981.32	1,749.75	23,372.40
Hakim stout 33cl	5,735	6,436	8,660	909.86	12.08	21,752.94
Sofi lemon 33cl	1183.52	2,485	2,654	932.74	256.04	7,511.3
Bedele Special 33cl	7298	20,896	28,142	18,996.79	4,000.06	79,333
Bedele Special 50cl	0	0	18,238.00	9,479	6,611.00	34,328.00
Walia 33cl	0	0	0	79,000.55	194,390.92	273,391.47

Source: trade and marketing April 2015

Table 4.1 shows the total sales volume of the previous and the new brand. The data is obtained from trade and marketing department of the company. As can be observed from the table, the sales volume of each brand is shown increasing from 2011 up to 2013 and decreasing in the year 2014 and 2015. Bedele special 50cl is introduced in 2013. The highest sales volume is derived from harar beer I,e from 2011 up to April 2015 totally 90,087 hectoliters. The second highest sales volume in Addis Ababa region comes from bedele special 33cl. During the period 2011-2015 a total of 79,333 hectoliters was sold. The other existing brand which had the highest sales volume before the introduction of the new brand is bedele regular which has a total sales volume of 36,505 hectoliters.

Even though bedele special 50cl was introduced lately I,e on September 2013 but the sales volume from this brand is huge because the brand is only sold for less than 3 years.

Table 4.1.2 Statistical Analysis of existing brands sales volume

	2011-2012	**2012-2013**	**2013-2014**
Harar 33c	Increased by 52%	Increased by 4.3%	Decreased by 47 %
Bedele regular 33cl	Increased by 32%	Increased by 233%	Decreased by 50.1%
Hara Sofi 33cl	Increased by 262.7%	Increased by 141.5%	Decreased by 41.5 %
Hakim stout 33cl	Increased by 12.2%	Increased by 34.5%	Decreased by 89%
Sofi lemon 33cl	Increased by 110%	Increased by 6.8%	Decreased by 64.8%
Bedele Special 33cl	Increased by 186%	Increased by 34.6%	Decreased by 32.5%

Source: trade and marketing April 2015

Table 4.2 clearly shows the annual sales volume of the different brands of the company from the year 2011 – April 2015 in hector liters. As can be observed from the table, Harar beer sales increased by 52% from the year 2011 to year 2012 and by 4.3% from year 2012 to year 2013 while the sales volume decreased by 47 % by the year 2014. Bedele regular beer sales increased by 32 % from the year 2011to year 2012 and increased by 233 % from the year 2012 to year 2013 while the sales volume decreased by 50.1% by the year 2014. Harar sofi sales increased by 262.7% from the year 2011 to the year 2012 and increased by 141.5% from the year 2012 to the year 2013 while the sales volume decreased by 41.5 % by the year 2014. The other brand is Hakim stout and the sales volume of this brand increased by 12.2% from year 2011-2012 and increased by 34.5% from year 2012-2013 while the sales volume of this brand decreased by 89% from year 2013-2014. The sales volume of sofi lemon has increased by 110% from year 2011-2012 and increased by 6.8% from year 2012-13, while the sales volume of this brand decreased by 64.8% from year 2013-2014. The sales volume of bedele special 33cl has increased by 186% from the year 2011 to the year 2012 and increased by 34.6% from the year 2012-2013 while the sales volume of this brand decreased by 32.5% from the year 2013-2014.

The above table clearly depicts the impact of the new brand. As shown, Hakim stout 33cl is the most affected existing brand as a result of result of the new brand because its sales volume during the year 2013-2014 has declined by 89%. The second most affected existing brand is sofi lemon 33cl which sales volume declined by 64.8% during the year 2013-2014. The third most affected existing brand due to the introduction of the new brand is bedele regular 33cl.

The other late comer brand in the company is bedele special 50cl which was introduced in to the market during September 2013, starting from its introduction up to the end of December 2013, the sales volume of this brand was 18,238 hectoliters. During the year 2014, the sales volume of this brand was 9479 hectoliters.

Walia beer was introduced in to the Ethiopian market by September 2014. The beer had a unique name when introduced which was "Happy new year" beer. This name was given due to the fact that the time of introduction was similar with the Ethiopian New Year celebration time. After the time of introduction up to the end of December 2014, the sales volume of this brand was 79000.55 hectoliters. From January 2015 up to April 2015, the sales volume of this brand is 194,390.92 hectoliters (trade and marketing department, 2015).

4.2 Socio-demographic Analysis

This descriptive analysis was used to describe the collected information so as to make it clearer. It was employed to describe the demographic aspects of respondents. The demographic factors used in this research were gender, age, education qualification, occupation, and monthly income and experience consumers drinking beer.

From the total 323 questionnaires distributed only 314 were returned. From the returned, only 308 were completed and ready for analysis.

Table: 4.2.1 Socio-demographic characteristics of participants

		Frequency	Percent
Sex	Male	256	83.1
	Female	52	16.9
	Total	308	100.0
Age	Between 18-24 years	98	31.8
	25-34 years	134	43.5
	35-44 years	45	14.6
	45 year and above	31	10.1
	Total	308	100.0
Education	Primary	32	10.4
	Secondary	46	14.9
	Diploma	63	20.5
	Degree	136	44.2
	Postgraduate	24	7.8
	Other	7	2.2
	Total	308	100.0
Occupation	Government sector	53	17.2
	Private sector	108	35.1
	Own business	131	42.5
	Student	16	5.2
	Total	308	100.0
Monthly income	Below 1000 birr	36	11.7
	Birr 1000-3000	61	19.8
	Birr 3001-5000	122	39.6
	Above 5000 birr	89	28.9
	Total	308	100
Experience in drinking beer	1-3 years	67	21.7
	3-5 years	62	20.1
	6-8 years	83	27
	Above 9 years	96	31.2
	Total	308	100.0

Source: field survey (April 2015)

Table 4.2.1 depicts the socio-demographics of respondents. As it can be seen, the majority of respondents (83.1 %, n=256) are males and females comprised 16.9 % (n=52) of the respondents. This implies that majority of beer consumers are males. The researcher believes the number of female respondents in this research is small due to the fact that there was limited access to find female beer consumers at convenient places as compared to find male consumers.

The age distribution of respondents is presented in table 4.2.1. As it is clearly shown in the table, majority of the respondents (43.5%, n=134) are between the age group 25-34 years, followed by 31.8 percent (n=98) in the age group 18-24 years, 14. 6 Percent (n=45) in the age group 35-44 and another thirty one respondents (10.1%) in the age group 45 and above. This means majority of the respondents are youngsters (at the age between 18-34 years old) which implies they are more fun loving people and would like to gather around with their friends as compared to respondents above the age of 45.

The educational qualifications of respondents' are also shown in table 4.2.1. As it can be observed from the table most of the respondents (44.2%, n=136) are first degree holders, followed by 63 respondents (20.5%) are diploma holders. Not only this, twenty four respondents (7.8%) are postgraduate holders, 10.4 percent (n=32) of respondents achieved primary education, forty six respondents (14.9%) have achieved secondary education and seven respondents (2.2%) are categorized under other option. The above figure indicates that majority of the respondents are educated and they are aware of drinking responsibly which is a good thing for the company and it costs less to teach about drinking alcohol responsibly

The above table clearly illustrates the occupation of respondents as well. The table shows majority of the respondents (42.5%, n=131) are running their own business. Furthermore, 35.1 percent (n=108) respondents are working in private sector, 17.2 percent (n=53) respondents are working in government sector and the remaining 5.2 percent (n=16) respondents are students. This indicates majority of hotels and bars revenue from beer comes from those consumers who run their own business and private sector workers.

The result of monthly income of respondents is also presented in table 4.2.1. The table indicates majority of the respondents (39.6 %, n=122) earn a monthly income between birr 3001-5000. The second group of respondents (28.9%, n=89) get a monthly income of above 5000 birr. Besides, 61 respondents (19.8 %) have birr between 1000-3000 per month and the remaining respondents (11.7%, n=36) have a monthly income below birr 1000. This indicates most of the respondents have the financial ability to consume beer.

The experience of respondents drinking beer is illustrated in table 4.2.1. As it can be seen majority of the respondents (31.2%, n=96) have more than 9 years of experience. The other group of respondents (27%, n=83) have 6-8 years of experience. Furthermore, 67 respondents (21.7%) have 1-3 years experience and the remaining 62 respondents (20.1%) have 3-5 years of experience. This implies most of the respondents have a very long experience of consuming beer which indicates these respondents have a better understanding about beer taste and quality thus; the data collected from these experienced consumers is more reliable.

4.3 Analysis of scale typed questionnaires

In this part descriptive statistics in the form of mean and standard deviation are presented to illustrate the level of agreement of respondents with the ideas presented in the questionnaire.

The responses of respondents for the variables indicated below were measured on five point lickert scale with 1=strongly disagree, 2= disagree, 3= neutral, 4=agree, 5=strongly agree. But, while making the interpretation of the results of mean and standard deviation the scales are rearranged as follows to make the interpretation easy and clear. 1-1.8= strongly disagree, 1.81-2.6=disagree, 2.61-3.4=neutral, 3.41-4.2=agree, 4.21-5= strongly agree (as cited by yonas, 2013)

4.3.1 Perception of respondents towards price

Table 4.3.1 Perception of respondents towards price

No	Variables of price	N	Mean	Standard deviation
1	Affordable Price	308	3.92	0.780
2	Sold at lower price than existing brands	308	3.67	0.938
3	Sold at similar price with existing brands	308	2.99	1.181
4	Sold at higher price than existing brands	308	2.52	1.134

Source: field survey (April 2015)

Table 4.3.1 contains individual variables, which are grouped tighter and named as Price variables. As it is shown in the table affordable price has scored mean of 3.92 with standard deviation 0.780, sold at lower price than existing brands has scored mean of 3.67 with standard deviation 0.938, sold at similar price with existing brands has scored mean of 2.99 with standard deviation 1.181 and sold at higher price than existing brands scored 2.52 mean with standard deviation 1.134. Since the variable affordable price has the highest mean score from the entire variable, it is possible to say that it plays a great role by being an influencing factor for consumers to prefer the new brand walia beer to be consumed higher than existing brands.

In addition to this, the table indicates the mean rating score of the variable ‘sold at similar price with existing brands’ which respondents have replied fall between the range 3.41-4.2 and it indicates this is also the other factor that influence consumers to choose the new brand over the others.

4.3.2 Perception of respondents towards taste

Table 4.3.2: Perception of respondents towards taste

No	Variables of taste	N	Mean	Standard deviation
1	The taste of new beer is light	308	3.94	1.086
2	Taste of the new beer is bitter	308	1.83	0.763
3	Easiness to drink, the new beer with 5 % alcohol	308	4.32	0.592
4	The new beer has a unique taste	308	4.09	0.669

Source: field survey (April 2015)

The above table 4.3.2 shows the mean and standard deviation of the variables of taste. As it is shown in the table, easiness of the new brand beer to drink with 5% alcohol content has scored mean of 4.32 with standard deviation 0.592, uniqueness of the taste of the new brand beer has scored a mean of 4.09 with a standard deviation of 0.669, lightness of the taste of the new brand beer has cored mean of 3.94 with standard deviation of 1.086. According to this result, easiness of the new brand beer to drink with 5% alcohol content has scored the highest mean score from all the variables indicated in the table and it is applicable to say that it is highly influential characteristics that influence consumers to pick it in favor of existing brands of the company.

In addition to this, uniqueness of the taste of the new brand beer has scored a mean of 4.09 with a standard deviation of 0.669, lightness of the taste of the new brand beer has cored mean of 3.94 with standard deviation of 1.086. All this results fall between the range 3.41-4.2 and this implies majority of the respondents agreed to the lightness of taste of the new brand beer and the uniqueness of taste of the new brand beer indicating these are also the other two factors that have influence on the higher consumption of the new brand beer.

4.3.3 Perception of respondents towards brand name

Table 4.3.3: Perception of respondents towards brand name

No	Variables of brand name	N	Mean	Standard deviation
1	Uniqueness of name when introduced which is ‘’happy new year beer”	308	3.69	1.101
2	Similarity of the brand name with Ethiopian male football team	308	3.99	1.008
3	The beer’s name is “walia” which is an endemic animal in Ethiopia	308	3.95	1.247

Source: field survey (April 2015)

Table 4.3.3 illustrates the perception of respondents towards brand name using mean and standard deviation. As it can be seen from the table similarity of brand name with name the Ethiopian male national football team has scored mean of 3.99 and standard deviation 1.008. According to this result similarity name of male national football team of Ethiopia has scored the highest mean therefore, it is significant to say it plays great role by influencing consumers to prefer the new brand beer among the existing ones.

Moreover, similarity of name of the new brand beer with one of the endemic animal to Ethiopia that is ‘walia’ has scored mean 3.95 with standard deviation 1.247, when the new beer introduced it had a unique name ‘happy new year beer’ has got mean of 3.69 with standard deviation 1.101. The above two results fall between the range of 3.42-4.2 and this tells us majority of the respondents influenced by the similarity of the name of the new brand beer with one of the endemic wild animal to Ethiopia which strengths the sense of being an Ethiopian and influenced by its unique name at the time of introduction.

4.3.4 Perception of respondents towards package

Table 4.3.4: Perception of respondents towards package

No	Variables of package	N	Mean	Standard deviation
1	The bottle is longer	308	3.05	1.039
2	The bottle is comfortable to handle	308	3.36	1.025
3	attractive and nice labeling	308	3.97	0.765

Source: field survey (April 2015)

Table 4.3.4 contains individual variables which are grouped together and named as package variables. As it is indicated in the table attractive and nice labeling has scored mean of 3.97 with standard deviation 0.765, comfortable bottle to handle has scored mean of 3.36 with standard deviation of 1.025, longer bottle ha scored mean of 3.05 with standard deviation of 1.039. Since attractive and nice labeling has scored the highest mean, it is realistic to say that this variable has a major role in creating higher demand for the new brand beer over the previous brands.

In addition to the above, the table depicts the mean of longer bottle fall between mean ranges 2.61-3.4, which is the lowest mean score from the variables of package and this tells that majority of the respondents are neutral to the idea of having longer bottle which implies this variable has lowest influence on respondents to choose the new brand beer than the existing brands.

4.3.5 Perception of respondents towards quality

Table 4.3.5: Perception of respondents towards quality

No	Variables of quality	N	Mean	Standard deviation
1	The beer has high quality	308	4.09	0.669
2	Free from morning hangover	308	3.86	0.811
3	Produced at the new state-of the-art factory in Addis Ababa	308	3.67	0.870
4	Produced with high quality ingredients	308	3.90	0.715
5	cleanness of the bottle	308	3.58	0.953

Source: field survey (April 2015)

Table 4.3.5 shows the mean and standard deviation of the variables of quality. As the table indicates, highest quality of the new brand beer has scored mean of 4.09 with standard deviation 0.669, highest quality of the new beer’s ingredients has scored mean of 3.90 with standard deviation of 0.715 and free from morning hangover has scored mean of 3.86 with standard deviation 0.811. According to this result, high quality of the new brand beer has scored the highest mean thus, it is applicable to say this variable plays an immense role by influencing respondents to purchase and consume the new brand walia more than the existing brands of the company. Besides this, high quality ingredients have scored the second highest mean which implies consumers' perception about the quality ingredients from which the new beer produced influences their choice.

Moreover, the new beer is produced at the new-state-of-the-art factory in Addis Ababa has scored mean of 3.67 with standard deviation of 0.870 and cleanness of the bottle of the new brand beer has scored mean of 3.58 with standard deviation 0.953. These results fall between mean ranges of 3.42-4.2 and this tells us that majority of respondents agreed that they are influenced by the new technologically advanced factor where the new beer is produced and by the neatness of the bottle of the new brand beer.

[

4.3.6 Preference of existing brands of respondents

Table 4.3.6: Preference of existing brands of respondents

No	Variables of previous brand choice	N	Mean	Standard deviation
20	Before the new beer, I prefer Bedele special beer 33cl	308	3.23	0.984
21	Before the new beer, I prefer Bedele special beer 50cl	308	2.86	0.936
22	Before the new beer, I prefer Bedele regular beer 33cl	308	2.95	0.930
23	Before the new beer, I prefer Harar beer 33cl	308	4.08	0.904
24	Before the new beer, I prefer Harar sofi beer 33cl	308	2.57	1.129
25	Before the new beer, I prefer sofi lemon beer 33cl	308	2.37	0.945
26	Before the new beer, I prefer Hakim stout beer 33cl	308	2.45	0.952

Source: field survey (April 2015)

Table 4.3.6 shows respondents' preference for existing brands of the company. As it is clearly illustrated in the table, preference for harar beer 33cl has scored mean of 4.08 with standard deviation 0.904, preference for bedele special 33cl has scored mean of 3.23 with standard deviation of 0.984, preference for bedele regular 33cl has scored mean of 2.95 with standard deviation 0.930. Hence, the preference for harar beer 33cl has scored the highest mean score and it is possible to say that the new brand beer has significantly affected the sales volume of harar beer 33cl in Addis Ababa region. The second highest mean score is preference for bedele special 33cl and it is pertinent to say that the new brand beer has also affected the sales volume of bedele special 33cl in Addis Ababa region.

Besides these, preference for harar sofi 33cl has scored mean of 2.57 with standard deviation of 1.129, preference for hakim stout 33cl has scored mean of 2.45 with standard deviation of 0.952 and preference for sofi lemon has scored mean of 2.37 with standard deviation of 0.945. The result of variables of previous brand choice indicates that, harar beer 33cl is the first highly demanded brand before the new brand., the second highly demanded brand is bedele special 33cl, the third demanded existing brand is bedele regular 33cl, the forth demanded existing brand is bedele special 50cl, the fifth demanded existing brand is harar sofi 33cl, the sixth demanded existing brand is hakim stout 33cl and the least demanded existing brand is sofi lemon 33cl.

4.3.7 Perception of respondents towards factors of the new brand and previous brand choice.

Table 4.3.7: perception of participants towards factors of the new brand and previous brand choice.

No	Variables	N	Mean	Standard deviation
1	Price	308	3.275	1.008
2	Taste	308	3.545	.776
3	Brand name	308	3.876	1.118
4	Package	308	3.460	.943
5	Quality	308	3.820	.804
6	Previous brand choice	308	2.930	.969

Source: field survey (April 2015)

The above table clearly summarizes the mean and standard deviation of the factors of the new brand and its impact on previous brand choice. It illustrates the respondents' agreement with the five dimensions of the new brand by giving the higher rate scale to brand name (mean=3.876, SD=1.118), followed by quality mean of 3.820 with standard deviation 0.804, taste having mean of 3.545 with standard deviation .776, package has mean of 3.460 with standard deviation .943 and price with mean of 3.275 and standard deviation of 1.008. The perception of respondents towards previous brand choice rating scale is (mean = 2.930, standard deviation = .969). This result falls in the rating scale of 2.61-3.4. This implies majority of the respondents are neutral for most of the previous brands of the company which indicates majority of the respondents haven't tried some of the existing brands of the company for which they feel neutral.

Furthermore, the highest mean from the five dimension of the new brand is ''brand name'' with mean of 3.876 which implies that majority of the respondents consume the new brand beer because of the name it has and the quality the new beer has offered because quality has scored the second highest mean score.

CHAPTER FIVE

CONCLUSION AND RECOMMENDATION

5.1. Conclusion

This research aims at investigating and understanding the impact of new brand beer (walia beer) on the existing brands of the company in case of Heineken breweries S.C. During the investigation the researcher used both primary and secondary source of data. After the data was collected and analyzed the following conclusions are drawn.

- Based on the result of the descriptive statistics, all factors of the new brand beer (price, taste, brand name, package and quality) influence the sales of existing brands of the company. Among the factors, brand name significantly affects the existing brands sales volume. Quality takes take the second place.

- Due to the introduction of the new brand beer, the sales volume of all of existing brands of the company has significantly declined. Before the new brand beer, the highest sales volume in terms of hectoliters comes from harar beer in Addis Ababa. The second highest sales volume is derived from bedele special 33cl while the lowest sales volume in Addis Ababa region comes from sofi lemon.

- The sales volume of the new brand from the period of its introduction up to the date the data is gathered is the highest of all existing brands in terms of hectoliters. Whereas the sales volume of sofi lemon is the lowest of all existing brands during the entire period in Addis Ababa region.

- The most affected existing brand as a result of the new brand is Hakim stout 33cl because its sales volume has declined by 89%. The second most affected existing brand is sofi lemon 33cl which sales volume declined by 64.8%. The third most affected existing brand due to the introduction of the new brand is bedele regular 33cl.

5.2 Recommendation

This study has demonstrated the influence of the new brand on the sales performance of existing brands of Heineken breweries Ethiopia with in the area of Addis Ababa city. In light of the findings and conclusions made above, the following possible recommendations are suggested as being valuable to the company for improving the sales of existing brands.

- Since price, taste, brand name, packaging and quality of the new brand are highly influential for its greater consumption; the company has to do a lot about these factors for the rest of existing brands.
- The company has to offer a temporary price discount for the existing brands so that consumers of other competitors products might try to taste the beers. If more consumers are attracted due to the discounted price, it means more consumers are exposed to try the beer so that they might like those beers and stick on consuming it.
- The taste of the new beer is unique and the company has to improve the taste of existing brands of the company. The taste of the existing brands of the company has to be easy to drink so that more consumption will be created for these brands.
- From the findings of the study, package has a huge impact on the sales volume of the new brand therefore; the package of the existing brands has to be revised and has to be more attractive and visible to the consumer because changing the package can change consumers' perception about the product. The labeling of the new brand beer has information about the ingredients of the beer and existing brands package has to have this information so the people will see the information they need which will motivate them to make purchase decision.
- The quality of the existing brands has to be given great emphasis, specially harar beer and bedele beer. Both of these beers must be made in such a way that they don't have morning hangover. If the company does this, the sales volume of these brands might rise.
- Generally, the company has to focus on the price, taste, name, package and quality of existing brands because these are the factors that made the new brand to be consumed highly.

- Since the sales volume sofi lemon beer is not even satisfactory over the period of the collected data, the company is better off discarding this brand from the line and think of other substitute product for it

5.3 Future research

Although the objectives of this research were met, two limitations were identified in the course of this research. First, the study only focused on only the beer industry. Second, the study only concentrated on one company's products cannibalization, but the result and conclusion would have been very convincing if the study also included competitors sales.

The above two limitations creates an opportunity for future studies in this area. This future study may replicate this study in other alcohol, beverage, and soft drink, natural spring water producing companies and other food and beverage producing industries.

Another future research direction is to include other factors for the sales new products such promotion, advertisement, product content/size and other factors. These were excluded from this research because the paper concentrated on only on the highest weight factors. When a more comprehensive list of factors for the new products sales, a more valid and conclusive outcome may possibly emerge.

Future studies might also investigate similarity perception of consumers for the existing and new brands of a company at the same time these future studies might also see the impact of new brands on consumers' preference on existing brands. By examining these areas, these future studies would add value to the present knowledge in this area.

References:

1. *Abere, A., O. Capps, Jr., S. Church, and H.A. Love. 2002. "Mergers and Market Power: Estimating the Effect on Market Power of the Proposed Acquisition by the Coca- Cola Company of Cadbury Schweppes' Carbonated Soft Drinks in Canada." In D.J. Slottje, ed., Measuring Market Power. Amsterdam, London, and New York: Elsevier Science, North-Holland.*

2. *Atalay.A, V. Daniel R., Luk N. Van Wassenhove, 2010. "So what if remanufacturing cannibalize my new product sales, California management review, vol52, no .*

3. *A.G¸rhan Kˆk, Marshall L. Fisher, Ramnath Vaidyanathan, 2006. Assortment Planning: Review of Literature and Industry Practice. Duke University, University of Pennsylvania,*

4. *Bryman, A. (2012) social research method. New York. Oxford: University press Inc.*

5. *Heskett, J. 1976. Marketing. New York: Macmillan.*

6. *Holleran, J. 2005. "Big Brands: Benefits Spur New Product Trial." Stagnito's New Products Magazine (January 1). Available online at http://www.allbusiness.com/marketingadvertising/ 342694-1.html.*
7. *Jonah Berger, Michaela Draganska, Itamar Simonson, 2007. The Influence of Product Variety on Brand Perception and Choice. Graduate School of Business, Stanford University, Memorial Way, Stanford, California 94305, Vol. 26, No. 4, July–August 2007, pp. 460–472*
8. *Kallepalli Madhavi, 2014, the Impact of Product Cannibalization on Consumer Purchasing Decision - An Attitudinal Conflict Paradigm, International Journal of Research in Business Management, Vol. 2, Issue 8, Aug 2014, 41-48.*
9. *Kothari, C. R. (2004). Research Methodology: Methods and Techniques. New Delhi: New Age.*
10. *Marc A.Annacchino, 2003, New Product Development: from initial idea to product management, Elsevier, USA.*
11. *Malhotra, N.K. (2011). Marketing Research: An Applied Orientation. New Delhi: Pearson Education.*
12. *McCarthy, E.J. and Perreault, W.D. (1993), Basic Marketing, 11th edition, Chicago, Illinois: p. 299.)*

13. *Mark E. Ferguson, Oded Koenigsberg, 2006. How Should a Firm Manage Deteriorating Inventory, College of Management Georgia Institute of Technology and Graduate School of Business Columbia University,University of Pennsylvania, Kluwer Publishers.*

14. *Pan, Yigang and Donald R. Lehmann (1993), "The Influence of New Brand Entry on Subjective Brand Judgments," Journal of Consumer Research, 20 (June):76–86.*

15. Robert G. Copper, 1999, Product Leadership: Creating and Launching superior New products, perseus books, 2nd edition.

16. Reddy, S.K., S.L. Holak, and S. Bhat. 1994. "To Extend or Not to Extend: Success Determinants of Line Extensions'' Journal of Marketing Research 31(2): 243–262

17. Rohit Vishal Kumar, 2000, sampling and sampling survey, Jharkhand India.

18. Thomas L. Baker, James B. Hunt, and Lisa L. Scribner, 2002, the Effect of Introducing a New Brand on Consumer Perceptions of Current Brand Similarity: The Roles of Product Knowledge and Involvement, Journal of Marketing Theory & Practice, Vol. 10 Issue 4, p45, 13p. 3Charts.

19. Tony proctor, 2002, strategic marketing, Taylor & Francis e-Library publishing, 2nd edition.

20. *Wendy Lomax, Kathy Hammond, Robert East and Maria Clemente (1997),"The measurement of cannibalization", Journal of Product and Brand Management, Vol.6, No.1, pp.27-39.*

21. Yogesh Kumar Signh, 2006, fundamentals of research methodology and statistics, new age international publisher.

22. Yonas B. (2013, "Relationship Marketing and Customers' Loyalty in Banking Industry: (With Reference to Commercial Bank of Ethiopia)",Masters project, Hawassa University,

23. Zickmund, Babin, Carr and Griffin, 2009, Business research method, 8th edition, Cengage Learning printing.

Websites

www.heinekenglobal.com, Retrieved on April, 6, 2015

www.googlemap.com, Retrieved on April 14, 2015

Appendix A

Adama Science and Technology University
School of Business and Economics
Department of Management
Masters of Business Administration

Questionnaires for the customers of Heineken breweries S.C. in Addis Ababa city

Dear participants:

This questionnaire is prepared by Master of Business Administration (MBA) graduate student of Adama Science and Technology University for the purpose of writing research project on **"impact of the new brand on the sales performance of existing brands of the company, the case study of Heineken breweries S.C.** Your honest response is very much important input to my thesis. I want to assure you that your privacy for responding to this questionnaire is completely kept in secret. Moreover, individual information provided would be treated collectively.

I know that your time is valuable, and I hope that you will take the time (an estimated 15-20 minutes) to complete the questionnaire. Please attempt to answer all the questions and click one appropriate box that best suits your perspective for each statement. Thank you very much for your time and assistance.

Part one: general information

Choose the appropriate answer from the options and tick **(** ✓ **)** inside the box for the questions

1. Gender female ☐ male ☐
2. Age ☐ 18-24 years ☐ 25-34 years ☐ 35-44 years ☐ 45 years and above
3. Education qualification ☐ primary ☐ secondary ☐ Diploma ☐ Degree ☐ postgraduate ☐ other
4. Occupation ☐ government sector ☐ private sector ☐ Own business ☐ student
5. Monthly income ☐ below 1000 birr ☐ 1000 –3000birr ☐ 3001- 5000 birr ☐ above 5001birr
6. For how long have you been drinking ☐ 1-3 years ☐ 3-5 years ☐ 6-8years ☐ above 9 years

Part two:

Questions for the impact of the new product

Please indicate the extent to which you agree with the idea given below. This is to assess the impact of the new brand beer on the existing brand beers using the scales of strongly agree, agree, neutral, disagree and strongly disagree. Strongly agree is given the highest weight of 5: while strongly disagree is given the least weight of 1. Please put the tick **(** **)** mark for the appropriate cells.

Survey	**Strongly disagree**	**Disagree**	**Neutral**	**Agree**	**Strongly Agree**
Price					
The new Walia beer is affordable.					
The price of the new walia beer is lower than existing brands.					
The price of the new walia beer is similar with existing beers					
The price of the new walia beer is sold at higher than other existing beers.					
Taste					
The taste of the new walia beer is light.					
The taste of the new walia beer is bitter.					
The product is refreshing, easy to drink and has 5 % alcohol					
The new beer has unique taste than existing brands.					
Name					
The new beer had a unique name when introduced which is ‘’ Happy New year beer’’					
The current name of the beer is similar with the name of Ethiopian Male national football team					
The new beer has got its name from the endemic wild animal I, e WALIA which only found in Ethiopia.					

Package					
The beer's bottle is longer.					
The bottle of the beer is comfortable to handle					
The labeling is very nice and attractive					
Quality					
The new beer has very high quality.					
The new beer is free from morning hangover.					
The beer is produced at the new state-of-the-art brewery in Addis Ababa with the new technology.					
The beer is produced with high quality ingredients.					
The bottle of the beer is very clean.					
Previous brand choice					
Before the new beer, I prefer Bedele special beer 33cl					
Before the new beer, I prefer Bedele special beer 50cl					
Before the new beer, I prefer Bedele regular beer 33cl					
Before the new beer, I prefer Harar beer 33cl					
Before the new beer, I prefer Harar sofi beer 33cl					
Before the new beer, I prefer Harar sofi lemon beer 33cl					
Before the new beer, I prefer Hakim stout beer 33cl					