BRAND IMPACT ON INCREASING SALES: CASE STUDY “FORTESA HOME”

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“FORTESA HOME”

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BRAND IMPACT ON INCREASING SALES: CASE STUDY “FORTESA HOME”

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ABSTRACT

A company’s brand image or name is what identifies and characterizes it. As the brand awareness increases it is often proved by many well known brands that also the percentage of sales would increase. The purpose of this thesis is to investigate the direct impact of brands on increasing sales, with a special attention to “Fortesa Home” a retail company which sells sanitary products, which will be used as a case study. A questionnaire was prepared for Fortesa’s client and potential clients in order to give the whole analysis a practical touch. The paper work will show in detail how companies can benefit from creating a strong and reliable brand, and how that brand can have an impact on increasing their sales. This all will be explained and performed by taking as an example the company ‘Fortesa Home’.

This paper will be dealing with the following questions: what is more significant: The values of the brand or the product itself? What is the most important part of brand equity in order to increase sales? And how to measure brand equity? The literature has been reviewed to understand how to measure brand equity, what is the core dimension of the brand equity. How companies can benefit from creating strong brands and how that is connected with the increasing of sales, this is the main purpose of this thesis. In order to achieve this a questionnaire was handed out to 15 existing clients of “Fortesa Home” and 15 other potential clients, consisting of 27 questions all concerning the research questions as mentioned above.

From this paper it can be concluded that the linkage between customers and non-customers is slightly different due to the effect of the information that they have towards the brand. Existing customers had the chance to create a loyalty to the brand which is the core dimension of the brand equity whereas non-customers are rather neutral but with no negative opinions for the brand and as they stated they would consider being a client in the future, they think that Fortesa is has high quality but offers rather expensive products.
Since, brand awareness is closely related to increasing sales, Fortesa by creating a strong and reliable brand has benefited from this through increasing its sales, by offering to its customers exactly what it brand stand for, strong, modern, beautiful designed and high quality products with an excellent after sales service, all these that identify its company name. Brand awareness, perceived quality, and brand associations can strengthen brand loyalty by increasing customer satisfaction and providing reasons to buy the product, and that is what happened to “Fortesa Home” which became also one of its competitive advantage its own name and brand.

That is what research study and literature tells us and Fortesa is an example of that and it is the brand that has helped the company grows and increase sales yearly. Finally, brand equity assets provide a firm with a significant advantage: a barrier that may prevent customers from switching to a competitor.
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ABSTRACT

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A big thank you to my family and friends that always supported me in every aspect.
1 INTRODUCTION

This chapter covers some basic knowledge about what a brand is, the importance of branding in general and the branding environment in Kosovo.

Brand is the particular set of tangible and intangible assets that consumers attribute to a retailer. The more distinctive your proposition, the tougher it is for the competition to copy (Interbrand, 2010). The Interbrand approach is a variation on the Brand Earnings approach. Interbrand determines the earnings from the brand and capitalizes them after making suitable adjustments (Keller, 1998).

A company’s brand image or name is what identifies and characterizes it. As the brand awareness increases it is often proved by many well known brands that also the percentage of sales would increase. The purpose of this thesis is to investigate the direct impact of brands on increasing sales, with a special attention to “Fortesa Home” a retail company which sells sanitary products, which will be used as a case study.

1.1 What is a brand

A brand is a name, term, sign, symbol or design, or a combination of them, intended to identify the goods or services of one seller or group of sellers and to differentiate them from those of competitors (Kotler, 2006). Strong brands differentiate themselves from the competition thus have advantages on sales.

As competition creates infinite choices, companies look for ways to connect emotionally with customers, become irreplaceable, and create lifelong relationships. A strong brand stands out in a densely crowded marketplace. People fall in love with brands, trust them, and believe in their superiority. How a brand is perceived affects its success, regardless of whether it’s a start-up, a nonprofit, or a product (Wheeler, 2012). When someone is asked think of blue jeans most of the people will think of Levis, that is a brand. A brand is your identity – not your name or a logo that recalls your name. Branding is the marketing activity that allows customers to identify and classify a product through an emotional response (Hugh, 2013).
Interbrand takes the forecast profit and deducts a capital charge in order to determine the economic profit (EVA). Interbrand then attempts to determine the brand's earnings by using the "brand index". The "brand index" is based on seven factors. The factors as well as their weights are:

1. Market (10%) – Whether the market is stable, growing and has strong barriers to entry
2. Stability (15%) – Brands that have been established for a long time that constantly command customer loyalty
3. Leadership (25%) – A brand that leads the sector that it competes in
4. Trend (10%) – Gives an indication where the brand is moving
5. Support (10%) – The support that the brand has received
6. Internationalization/Geography (25%) – The strength of the brand in the international arena
7. Protection (5%) – The ability of the company to protect the brand

Top 15 brands of the world according to Inerbrands (2012) are:
1. Coca Cola
2. Apple
3. IBM
4. Google
5. Microsoft
6. GE
7. McDonald’s
8. Intel
9. Samsung
10. Toyota
11. Mercedes-Benz
12. BMW
13. Disney
14. Cisco
15. HP
From the list there are companies like Coca Cola which is one of strongest brand in the world for many years and according to Interbrands Coca Cola is the world’s brand since 2001. Apple is a top riser company which in the same list published by Interbrands in 2001 they missed the top 100 brands of the world and in 11 years time they are second strongest brand in the world. This is an example of pioneering company that created a trend for lots of companies to follow. Apple reached a financial pinnacle in 2012 when it became the most valuable company of all time (Interbrand, 2012).

Every so often, a company changes our lives, not just with its products, but also with its ethos. This is why, following Coca-Cola’s 13-year run at the top of Best Global Brands, Interbrand has a new number one which is Apple. Few brands have enabled so many people to do so much so easily, which is why Apple has legions of adoring fans, as evidenced by the record-breaking launch of the iPhone 5c and 5s. For revolutionizing the way we work, play, and communicate and for mastering the ability to surprise and delight Apple has set a high bar for aesthetics, simplicity, and ease of use that all other tech brands are now expected to match, and that Apple itself is expected to continually exceed (Interbrand).

<table>
<thead>
<tr>
<th>Rank</th>
<th>Brand</th>
<th>Brand Name</th>
<th>Region/Country</th>
<th>Sector</th>
<th>Brand Value (2013)</th>
<th>Change in Brand Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Apple</td>
<td>Apple</td>
<td>United States</td>
<td>Technology</td>
<td>903.8 billion</td>
<td>10.8%</td>
</tr>
<tr>
<td>2</td>
<td>Google</td>
<td>Google</td>
<td>United States</td>
<td>Technology</td>
<td>640.9 billion</td>
<td>4%</td>
</tr>
<tr>
<td>3</td>
<td>Coca Cola</td>
<td>Coca Cola</td>
<td>United States</td>
<td>Consumer Products</td>
<td>597.9 billion</td>
<td>9%</td>
</tr>
<tr>
<td>4</td>
<td>IBM</td>
<td>IBM</td>
<td>United States</td>
<td>Business Services</td>
<td>273.3 billion</td>
<td>4%</td>
</tr>
<tr>
<td>5</td>
<td>Microsoft</td>
<td>Microsoft</td>
<td>United States</td>
<td>Technology</td>
<td>224.3 billion</td>
<td>5%</td>
</tr>
<tr>
<td>6</td>
<td>Procter &amp; Gamble</td>
<td>P&amp;G</td>
<td>United States</td>
<td>Consumer Products</td>
<td>200.4 billion</td>
<td>5%</td>
</tr>
<tr>
<td>7</td>
<td>McDonald’s</td>
<td>McDonald’s</td>
<td>United States</td>
<td>Food</td>
<td>187.9 billion</td>
<td>3%</td>
</tr>
<tr>
<td>8</td>
<td>Samsung</td>
<td>Samsung</td>
<td>South Korea</td>
<td>Technology</td>
<td>129.5 billion</td>
<td>3%</td>
</tr>
<tr>
<td>9</td>
<td>Intel</td>
<td>Intel</td>
<td>United States</td>
<td>Technology</td>
<td>127.2 billion</td>
<td>7%</td>
</tr>
<tr>
<td>10</td>
<td>Toyota</td>
<td>Toyota</td>
<td>Japan</td>
<td>Automobiles</td>
<td>120.9 billion</td>
<td>5%</td>
</tr>
</tbody>
</table>
Table above shows also the comparison to the previous year (2012). The most significant data is that Apple now is the best global brand beating the dominance of many years by Coca-Cola.

1.2 Background information about branding in Kosovo

Importance of branding in Kosovo does not have an early history; companies just after the war period have started to give importance to branding. Reasons are different; one of the most important is that just 22 years ago companies were allowed to open a private company and that being controlled by the state. After that period of time companies started to give importance to branding, by trying to give value, benefits and attributes to the brand through creative and distinguished marketing campaigns. The most common value that they give is by suggesting that they offer a great quality product or service.

Market professionals around the world believe that the best approach to give a product in the market is not increasing its price but to increase the promotions of the brand that provides it. Finally, Brand equity is the most effective marketing strategy that Companies providing goods in the modern world ought to use especially for the competing goods (Harich, 2011).

And that is something that few companies have understood also in Kosovo that you don’t have to decrease the price but to invest in marketing to raise brand awareness and focus on brand attributes in order to increase sales. In 2009 Superbrands a much respected worldwide company that tends to indentify brands that perform above and beyond other brands within their respective markets chose few companies also in Kosovo
that created brand values through the years. Thus also the customer can identify through the respected Superbrands the brands that represent values in Kosovo.

1.3  Overall purpose and research questions

Purpose of the research is to evaluate how important are the brand values and attributes when consumer makes a buying decision, and how accurate are their perceptions about a brand. An effort was made to find a link between literature and by result findings of the case study of company “Fortesa Home “.

RQ1 - What is more important: The values of the brand or the product itself?
RQ2- What is the most important part of brand equity in order to increase sales?
RQ3 - How to measure brand equity?
2 LITERATURE REVIEW

2.1 Brand Equity

Brands represent enormously valuable pieces of legal property, capable of influencing consumer behavior, being bought and sold, and providing the security of sustained future revenues to their owner. The value directly or indirectly accrued by these various benefits is often called brand equity (Keller, 2003). The concept of brand equity began to be used widely in the 1980s by advertising practitioners (Barwise, 1993). However, a universally accepted brand equity content and meaning (Keller, 2003) as well as measure have not been forthcoming (Washburn, 2002). Almost all conceptualizations of brand equity agree today that the phenomena involve the value added to a product by consumers’ associations and perceptions of a particular brand name (Winters 1991, Chaudhuri 1995).

Brand equity can be defined as “the marketing and financial values linked with a brand’s strength in the market, including actual proprietary brand assets, brand name awareness, brand loyalty, perceived brand quality, and brand associations” (Pride & Ferrell, 2003).

According to Keller (2003), the differential effect of brand knowledge is on consumer response to the marketing of the brand. Brand knowledge is the full set of brand associations linked to the brand in long-term consumer memory. The intangible assets of brands create the basis of brand equity. Brand equity consists of five different asset dimensions. These assets include 1) brand loyalty, 2) brand awareness, 3) perceived quality, 4) brand associations, and 5) other proprietary assets such as patents, trademarks and channel relationships. If managed well, these assets add value to the product or service and create additional customer satisfaction, which, in turn, provide a number of benefits to the firm (Aaker 1991).
Brand equity provides value to the customer in at least three ways (Aaker 1992). First, brand equity assets can help a customer interpret process, store and retrieve a huge quantity of information about products and brands. Second, the assets can also affect the customer’s confidence in the purchase decision, a customer will usually be more comfortable with the brand that was last used, is considered to have high quality, or is familiar. The third way that brand equity assets, particularly perceived quality and brand associations, provide the customer with value is by increasing the customer’s satisfaction when the individual uses the product.
Brand equity provides value to the firm in at least six ways (Aaker 1992). First, brand equity can enhance the efficiency and effectiveness of marketing programs. A promotion, for example, that provides an incentive to try a new flavor or new use will be more effective if the brand is familiar and if the promotion does not have to influence a consumer skeptical of brand quality. An advertisement announcing a new feature or model will be more likely to be remembered and stimulate action, if the potential consumer has a high-quality perception of the brand. Second, brand awareness, perceived quality, and brand associations can strengthen brand loyalty by increasing customer satisfaction and providing reasons to buy the product. Even when these assets are not visibly pivotal to brand choice, they can reassure the customer, reducing the incentive to try other brands. Enhanced brand loyalty is especially important in buying time to respond to competitor innovations. Third, brand equity will usually provide higher margins for products by permitting premium pricing and reducing reliance on promotions. In many contexts, the elements of brand equity serve to support premium pricing or to resist price erosion. In addition, a brand with a disadvantage in brand equity will often have to invest more in promotional activity just to maintain its position in the distribution channel. Fourth, brand equity can provide a platform for growth by brand extensions. Fifth, brand equity can provide leverage in the distribution channel as well. Like customers, channel members have less uncertainty dealing with a proven brand name that has already achieved recognition and has established strong associations. Further, by having a strong brand, companies have the potential to gain efficiencies and synergies by the use of the product’s visual impact on the store shelf and in promotion. Finally, brand equity assets provide a firm with a significant advantage: a barrier that may prevent customers from switching to a competitor. Brand equity has been defined as “outcomes that accrue to a product with its brand name compared with those that would accrue if the same product did not have the brand name” (Ailawadi, Lehmann, and Neslin 2003), the benefits a product achieves through the power of its brand name.

The brain research study, conducted at Baylor University Medical Center, found that when people were asked to taste two unlabeled cola samples (which were actually Coke and Pepsi), an equal number chose one over the other. However when one sample
was identified as Coke and the other left unidentified (both were actually Coke), there was a strong preference of when the labeled product was identified as Coke, but no strong preference when the same was identified as Pepsi. These results in themselves are well known in the marketing literature. The brain research study for the first time demonstrates brand marketing has a direct physiological effect on the brain, and consequently on the brain’s capacity to make a choice. When a cola soft drink is tasted, whether labeled with a brand or not, a part of the brain that responds to rewards, sugar in the case of cola, lights up. However, when the cola product is labeled as Coke, other regions of the brain not normally associated with gustatory sensation (viz., those controlling memory and cognition), also light up. No such effect was recorded when the product was labeled as Pepsi. When you know what brand you are consuming, your brain responds not only to the taste but also to what else you know about the brand (Raghubir, Tyebjee & Ching Lin 2013).

2.2 Measuring Brand Equity

Keller and Lehmann (2001) divide existing measures of brand equity into three categories. The first category, which they call “customer mind-set,” focuses on assessing the consumer-based sources of brand equity. The second and third categories, which they call “product market” and “financial market,” focus on the outcomes or net benefit that a firm derives from the equity of its brands (Ailawadi, Lehman, and Neslin 2003).

Customer mind-set: Customer mind-set measures assess the awareness, attitudes, associations, attachments, and loyalties that customers have toward a brand and have been the focus of much academic research (Aaker 1991, 1996; Keller 1993, 2003) and industry offerings.

Product-market outcomes: The logic underlying product-market a measure is that the benefit of brand equity should ultimately be reflected in the brand’s performance in
the marketplace. The most commonly mentioned such measure is price premium, that is, the ability of a brand to charge a higher price than unbranded equivalent charges (Aaker 1991, 1996)

Researchers have used three major approaches to measure brand equity, and each approach has its own advantages and disadvantages. No single measure can possess all the characteristics that marketers desire in the ideal brand equity measure. Product-market measures offer an attractive middle ground between customer mindset and financial market measures in terms of objectivity and relevance to marketing (Ailawadi, Lehman, and Neslin 2003).

### 2.2.1 Brand Equity Ten

The Brand Equity Ten, ten sets of measures grouped into five categories, are summarized in table 1. The first four categories represent customer perceptions of the brand along the four dimensions of brand equity-loyalty, perceived quality, associations and awareness. The fifth includes two sets of market behavior measures that represent information obtained from market based information rather than directly from customers (Aaker 1996).

**The Brand Equity Ten**

**Loyalty Measures:**
- Price Premium
- Satisfaction /Loyalty

**Perceived Quality/Leadership Measures**
- Perceived quality
- Leadership

**Associations/Differentiation Measures**
- Perceived value
- Brand Personality
- Organizational Associations
Awareness Measures
- Brand Awareness

Market Behavior Measures
- Market share
- Price and distribution indices

Figure 3: The brand Equity Ten
Source: Adapted from Aaker David (1997) Measuring Brand equity across products and markets

2.2.2 Association/Differentiation measures

The key associations/differentiation component of brand equity usually involves image dimensions that are unique to a product class or to a brand. Measurement of associations/differentiation can be structured around three perspectives on the brand: the brand as a product (value), the brand as a person (brand personality) and the brand as organizational associations (Aaker, 1996).

According to Aaker (1996), a brand that does not generate values are usually vulnerable to competitors. Because most of the times the focus will be on brand values rather than its functional benefits. Brand value can be measures in two ways: whether the brands provide good value for the money and whether there are reasons to buy this brand over its competitors.

A second element of associations/differentiation, brand personality, is based on the brand as person perspective. For some brands, the brand personality can provide a link the brands emotional and self-expressive benefits as well as a basis for customer/brand relationships and differentiation. Aaker (1996) suggests that there are certain ways to measure if a brand has a strong personality. Candidate scales might include: This brands has a personality, this brand is interesting, and I have a clear image
of the type of person who would use the brand. The last item reflects user imagery, often a key driver of brand personality.

Aaker (1996) further argues and explains the third element of brand associations is the brand as organization (people, values and programs) that lies behind the brand. This perspective is helpful when brands are similar with respect to attributes and thus easily replaced in that sense. It can plan an important role by showing that a brand represents more than a product or service. General scales that would apply over a brand set of product classes could include: This brand is made by an organization I would trust, I admire the brand X organization and the organization associated with this brand has credibility.

2.3 Marketing

Marketing is one of the most important things to consider in the modern business world especially when focusing on advertising products or services that needs to venture into the competitive market. The marketing battle mainly focuses on brands that have been in existence and have survived very well in the competitive environment of brand dominance. Businesses and investors from different parts of the world tend to focus on valuable assets and this means that if a brand markets itself very well then it is regarded as an asset that can be used for benefits (Lane, 2008).

Marketing as concepts starts with the recognition of the customers need or want and end with the satisfaction of that particular need or want. Marketing as a process includes the planning & executing that concept, the pricing process, promotion and distribution of that particular product or service at the right time and the right place in order to satisfy the customers’ needs or wants. Even though marketing as a conception is often misunderstood as being very narrow, it must be said that it is much wider and more dynamic, containing within itself the marketing mix which consists of the product, price, place distribution, and promotion. Marketing deals with analysis of the market, the different external factors where a particular company operates and how these factors
influence the launching of that company’s new product or service. The marketing planning is concerned with the overall direction of a business; it involves the production, operations, finance, human resource management and other business issues.

2.4 Building strong brands

Investment to build or maintain strong brands can be difficult to justify when considering the short-term financial outlook. However, brand equity generates considerable value for a company. Brand loyalty is a key consideration when placing a value on a brand because a loyal customer base can be expected to generate predictable sales and profit stream. It generates value mainly by reducing marketing costs. These brand assets can create value for a firm by: 1. enhancing the efficiency and effectiveness of marketing programs, 2. providing higher margins for products by permitting premium pricing and reducing reliance on promotions, 3. strengthening brand loyalty by increasing customer satisfaction and providing reasons to buy the product, 4. providing higher margins for products by permitting premium pricing and reducing reliance on promotions, 5. providing a platform for growth by brand extensions, and 6. giving leverage in the distribution channel (Aaker, 1992).

In building a strong brand Aaker (1992), suggest that there are 5 considerations that are helpful:

1. A clear identity,

2. A corporate brand,

3. Integrated, consistent communications,

4. Customer relationships,

5. Symbols and slogans
2.5 Brand Image

Many endings support the argument that consumers prefer, intend to purchase, or actually use brands with images they see as being congruent with their actual self-concept (Malhotra, 1999). Surely, a product that is perceived as fitting an individual's self-image has a greater probability of being selected. That is why marketers try to create images for their brands so that they are positioned to fit a distinct market segment occupied by no other brand. They strive to create a brand image that is similar to congruent with the self-image of the target consumers (Aaker and Biehl, 1993).

![Diagram of Perceived Quality, Customer Satisfaction, Customer Loyalty, and Customer Commitment leading to Brand Image, then Sales]

Figure 4: Correlation Analysis on Hypothesis
Source: Adapted from Ike Elechi Ogba and Zhenzhen Tan (2009)

Figure 4 suggests the tendency of customers to make comparisons of their self-image to the image of a brand on the stage of decision-making process.

A recent work of (Malhotra 1999) also underlines the need for linking brand image strategies to market performance of the brand, like sales or market share. Communicating a brand image to a target segment has long been regarded as an important marketing activity. A well-communicated image should help establish a brand’s position, insulate the brand from competition, and therefore enhance the brands market performance (Shocker and Srinivasan 1979). This potential impact underscores the important of managing the image over time.
2.6 Perceived quality

According to Aaker (1996), perceived quality is one of the key dimensions of brand equity. Perceived quality can be defined as the customer’s perception of the overall quality or superiority of a product or service relative to alternatives. Perceived quality cannot necessarily be objectively determined, because perceived quality itself is a summary construct (Aaker 1991). Perceived quality is the customer’s judgment about a product’s overall excellence or superiority that is different from objective quality (Zeithaml, 1988). Perceived quality is hence formed to judge the overall quality of a product/service.

![The Value of Perceived Quality Diagram]

Figure 5: The value of perceived quality
Source: Adapted from Aaker (1991), Managing brand equity; Capitalizing on the value of the brand name; New York Free Press.

Perceived quality is the customer’s judgment about a product’s overall excellence or superiority that is different from objective quality (Zeithaml, 1988). Objective quality refers to the technical, measurable and verifiable nature of products/services, processes and quality controls.

High objective quality does not necessarily contribute to brand equity (Anselmsson 2007). Since it’s impossible for consumers to make complete and correct judgments of the objective quality, they use quality attributes that they associate with
quality (Zeithaml 1988). Thus the brand will benefit from the perception of the consumer whether their judgment is correct or not. Perceived quality is hence formed to judge the overall quality of a product/service. Boulding and other researchers (1993) argued that quality is directly influenced by perceptions. Consumers use the quality attributes to ‘infer’ quality of an unfamiliar product. It is therefore important to understand the relevant quality attributes are with regard to brand equity. Zeithaml (1988) classify the concept of perceived quality in two groups of factors that are intrinsic attributes and extrinsic attributes. The intrinsic attributes are related to the physical aspects of a product (e.g. color, flavor, form and appearance); on the other hand, extrinsic attributes are related to the product, but not in the physical part of this one (e.g. brand name, stamp of quality, price, store, packaging and production information (Bernue’s 2003).

2.7 Brand Awareness

The first dimension distinguishing brand knowledge is brand awareness (Keller 2003). It is related to the strength of the brand node or trace in memory, as reflected by consumer’s ability to identify the brand under different conditions (Rossiter and Percy 1987, Keller 2003). Aaker (1996) defines brand awareness as the durability of a brand that embedded in the customer memory. Keller (1993, 1998) further argues that brand awareness could influence customer decision making in buying goods via strong brand association.

Brand awareness is usually considered to be as how consumers associate the brand with any specific product. Brand awareness includes brand recognition and also brand recall. Brand awareness is very important in building brand equity. Brand awareness as a process includes the use of many channels of promotion such as word of mouth publicity, advertising, TV, radio, etc. Brand awareness is best described as a tool through which customers can be familiar with a brand and what it represents, high quality, low price or any other particular attribute for what it is known for. Since some products are not so difficult to differentiate from other competitors’ products, brand
awareness would be an important factor in helping in increased sales, as well as signifying quality, or it can be used as a competitive advantage.

2.8 Brand identity

A brand is not a product: it is the product’s source, its meaning and its direction, and it defines its identity in time and space. Too often brands are examined through their component parts: the brand name, its logo, design, packaging, advertising or name recognition. Real brand management, however, begins much earlier with a strategy and a consistent integrated vision. Its central concept is brand identity, which must be defined and managed. A brand identity is the message sent out by the brand. (Doyle 1998, Kapferer 1992)

Brand identity is how companies want to be identified from their customers, and perceived from any particular market. It is how any company wants to be different and distinguished from their competition. Identity is what makes any brand unique and stand out from other brands. It is all what a company wants to communicate and transmit to its customers. Brand identity is consisted of the symbol, logo, signature and trademarks. To create brand identity it takes a lot of time and is a long-run process. The brand identity represents everything about a particular brand and it states the position that the brand has created in the customers mind. It is a process which is valuable to the current customers, but also for other potential customers. Brand identity represents the organization’s mission, vision, personality, reputation and the organizations competitive advantage (what distinguishes it from its competitors and its uniqueness). As mentioned above one of the sources of brand identity is the logo. The logo of any brand is very important since it represents the emotional connection with the brand. The logo should be simple, effective and unique.

The other source is the symbol which helps customers remember the organizations product or service and the positive attributes that it has and that the customer links.
The third one is trademark is that unique logo, or symbol that identifies the brand in order to make it easier to customers to recognize that brand. The trademark registration is done in order to give exclusive rights to only that particular company.

2.9 Brand loyalty

Loyalty is a core dimension of brand equity. Aaker (1991) defines brand loyalty as the attachment that a customer has to a brand. A loyal customer base represents a barrier to entry for competitors, a basis for a price premium, time to respond to competitor innovations, and a bulwark against deleterious price competition. Loyalty is of sufficient importance that other measures, such as perceived quality and associations, can often be evaluated based on their ability to influence it (Aaker, 1996). Behavioral loyalty is linked to consumer behavior in the marketplace that can be indicated by number of repeated purchases (Keller 1998) or commitment to re-buy the brand as a primary choice (Oliver 1997, 1999).

According to Assael (1992), there are two approaches being used to understand the brand loyalty that have completely outclassed in the marketing literature. The first approach in marketing literature is behavioral approach to brand loyalty in which the advocates believe that constant purchasing of one brand over time is an indicator of brand loyalty. The second approach in the marketing literature is cognitive approach to brand loyalty in which the advocates argue that behavior solely does not reflect brand loyalty. According to Yoo (2000), brand loyalty has the power to impact on customer decision to purchase the same product or brand and decline to shift to competitors’ brands. As a result, Yoo (2000) concludes that brand loyalty is the core of brand’s value. Brand loyalty is usually linked to creating satisfied customers and anyone who wants to create a brand loyalty must satisfy their customers. And the greater the amount of satisfaction the higher will be the loyalty towards the brand.
3 PROBLEM STATEMENT

This section will explain how the company Fortesa started its journey in a very difficult time, in 1991 when it was the first year that companies of Kosovo origin were allowed to open their own business. That was a time with a lot of barriers up to the after war period. This section will try to explain how the company has stressed since early years that branding is one of the most important factors in their success. The difficulties and the companies strategy will be explained followed by the answers of the questionnaire on measuring brand equity of the firm.

3.1 The Company ‘Fortesa Home’

Everything started on the 18th of March 1991 in the pre-war Prishtina. With only 4 employees, a modest office and a clear vision that would lead the company to where it is today, Fortesa started out by offering tiles and other sanitary products. This is how Fortesa was born, the company whose name would soon be recognized and trusted by everyone.

Fortesa enjoyed its first real growth during 1996, which is when it was equipped with its first warehouse on the way to Fushë Kosovë. Although importing products from abroad was rather difficult during these times, Fortesa managed to increase the choice in its product line by adding bathroom furniture to its product collection. As a result, Fortesa became the first and leading company in Kosova for offering a satisfactory number of bathroom related products, while its name had already started to echo through and wide. Until year 1999, the Fortesa family counted 10 dedicated employees. Year 1999 is a painful and memorable year for everyone.

The war for freedom which had captivated the country during this time did not leave a single family in Kosovo without death or pain. Although Fortesa’s loss is in no way to be compared with the sacrifices given by many families of war heroes in Kosova, Fortesa lost everything during the war. All company property was burned while the
future, once so promising and glowing with potential, was now rather fragile. The end of the war brought home a bitter reality of destruction in Kosova, and Fortesa was in no way an exception to this new reality. Nonetheless, faced with a critical moment for the future of the company, the 10 employees of Fortesa decided to stay on their feet and to continue with the pursuit of their dream.

The resurrection of Fortesa moved the company headquarters to Veternik in Prishtina in a rented space during a time when there was virtually nothing there. The work and dedication of Fortesa’s bright employees brought the company back with all its products in no time. What is more, the product choice was now even greater with the inclusion of Jacuzzi bathtubs, saunas and other bathroom related products. The only difference was that all these products were now being imported from Spain, Italy, Turkey and Macedonia. Eventually, during 2003, Fortesa bought the land which was being leased and built new warehouse spaces to meet market demand.

Undoubtedly, the great expansion of Fortesa started in 2006. It is during this year when Fortesa built her jaw dropping 4200 m² facilities building in Veternik, while the employee numbers soared to 50. The hard earned reputation enjoyed by Fortesa received retribution when Fortesa won the trust of global luxurious brands for modern bathroom products such as Versace Home, Valentino and Bisazza, and started exclusively distributing their products in Kosova. Thus, Fortesa proved to be a leader once more by being the first company that brought fashion in the bathroom market in Kosova. In addition, this is the year when the concept Fortesa Home was born, which meant that Fortesa was expanding even more and was now also offering home decoration and improvement products including modern radiators, decorative wallpapers, laminates, inner doors and so on. Thus Fortesa, the friend of your bathroom, started gradually to socialize with the rest of the house.

Today, Fortesa has 70 employees, has opened another 1400 m² showcase saloon in Prizren alongside the one in Prishtina and boasts an unmatched collection of impressive, modern and quality products for bathroom, home and sanitary improvement. Business
relationships with well known global brands such as Versace Home, Bisazza, Grohe, Valentino and many more are constantly being reinforced in order to make sure that new products reach Kosova continuously. Fortesa’s name is now recognized and extends the borders of Kosova with satisfied buyers coming from Germany, Switzerland, Albania and Macedonia.

Two full decades after the birth of the company, there is still only one name in the sanitary, bathroom and home product markets that has withstood time. Built from the ground up with uncompromised hard work, with the most modest showcase saloons in Kosova, the initiative to be a leader and innovator of the market and with the best product choice out there, the name Fortesa has proved itself and is already a trusted one.

3.1.1 ‘Fortesa Home’ background information

CEO of Fortesa Home has been interviewed in order to understand better how Fortesa performs in Kosovo market, as well as from researcher’s personal experience as the marketing manager of the firm. Fortesa is a company that has been in Kosovo market since year 1991, while the CEO is still the same. He experienced different transitions in Kosovo market strongly distinguished by the war period, up to now where the competition has grown a lot.

3.1.2 Advertising

Fortesa is one of the first companies in Kosovo to create an Advertisement in video tapes as television during the pre-war period was impossible for Kosovo’s companies, the advertisement was made by CMB which was their first commercial ever created. Since then the company understood the importance of advertising and thus have continued and progressed in that aspect. Even though the marketing budget is limited and advertising in national televisions is quite expensive the company tries to make a few but qualitative advertisement.
3.1.3 Brand Identity

During different period of times Fortesa has changed the logo three times from yellow and green colors to black and white as more modern and elegant colors that define the brands better. The logo has been finally shaped in a modern way. Fortesa has a brand book where everything is thought of, so it is easier for client to recognize the brand. From the findings that company has and from the questionnaires that I have prepared Fortesa is a trustworthy brand among customers, just recently chosen as one of Kosovo’s Superbrands. Now Fortesa cooperates with Paper communications a collaboration that has proven to be very successful for more than three years.

3.1.4 Integrated Marketing Communication

In general Fortesa does not advertise much because of the high costs, particularly in television but in cases as the 20 year anniversary they spent a lot in order to reposition themselves as one of the strongest brand in Kosovo, and time to time campaigns usually before the summer seasons are done.

Fortesa applied on 2011 a very successful integrated marketing communication, to celebrate its 20 year anniversary with a purpose to establish the brand in an even stronger position in the market. They even changed the name to Fortesa Home in order to let people know that tiles are to be used for the all house as well as presenting their added product range apart from the bathroom for what is was known, like radiators, wall coverings, laminates and other retail products for the all house. The slogan was, Fortesa Home - Two Decades, One Name. A TV ad was created with a very nice project done by Fortesa; billboards were across two major cities in Prishtina and Prizren, radio and newspapers and were followed as well. And to follow that just the next year Fortesa supported Dokufest a short film festival by being present in the city with an installation that they used to gather client data, which was proven to be successful as well.
3.1.5 Brand Loyalty

Apart from media communication, Fortesa gives importance to customer service, and believe that is the most important factor in creating a brand loyalty. Customer satisfaction is a high priority and as they CEO states that is not enough we must delight them. And one of them main strengths of the brand is that people trust it and they are returning customers. Special attention is giving high importance to after sale service as an important tool to have loyal customers. In lots of cases products that were out of warranty were made possible by the firm to be returned just to create a loyalty and to show customers that Fortesa cares about them.

3.1.6 Internal Branding

Fortesa is a family business, most of 75 employees around 90% are from family, which means that they are connected to a brand in such a form that they see it hard to separate Fortesa from their families. This has played a major role in companies’ successes.
4. Methodology

The methodology chapter describes the steps and different methods used in doing this study.

4.1 Research Purpose

Research purpose is the first step in conducting research and it means examining the reasons why any particular research is being undertaken. The research purpose falls into three categories: exploration, description, and explanation.

4.1.1 Exploratory studies

This type of research is basically used to find out what is happening in little known or understood situation, in other words it is used mainly when the subject of study is relatively new (Stapleton L. 2009). So, the exploratory approach attempts to discover general information about a topic that might be new or not well understood up until now.

4.1.2. Descriptive studies

The main focus of descriptive study is to provide an accurate description for something that is happening and it involves people, events, etc. The difference between descriptive and exploratory study is that exploratory study follows a format that is less structured and more flexible than descriptive study (Stapleton L. 2009). This study is used when the research purpose is to explain, monitor and test hypotheses, and can also be used to a lesser extent to help make predictions.
4.1.3 Explanatory studies

Explanatory studies typically focus upon the casual relationships between variables that are substantively important and meaningful and looks for patterns (Stapleton L. 2009).

Summary: Considering the three categories of research purpose, it can be said that this study applies in exploratory and explanatory categories. Since, this study is done to find out what is happening in little known situation it applies in the exploratory study. While trying to find the relationship between two variables in this case brand equity and increasing sales, this study is also an explanatory study.

4.2 Research Approach

4.2.1 Qualitative vs. Quantitative

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

Summary: In this research qualitative data has been used since all the questions in the questionnaire are inductive and could be interpretive.
4.3 Research Strategy

A research strategy is a plan of action that gives direction to the way the study is being done. This plan is of high importance in order to stay focused and enhance the quality of the research and save time in the long run. It enables you to conduct research systematically.

4.4 Sample Selection

In order to find the impact that brand image has on increased sales one sample selection to be made; the respondents had to be chosen.

There in total 30 participants of different age, occupation and location interviewed to collect the data. They were asked to express their opinions about the company; generally towards its brand and what it represented, thus, they were able to explain also their perception about this company.

4.5 Data Collection

Since the aim of this research study is to find something new which was not found in previous literature, the data used in this study were primary data. Primary data means that primary data are collected specifically for the purpose for which the data are required, and from new questionnaires and various participants, while secondary data comes from researches that are already carried out by someone else.

The secondary data were found in various books, articles, etc. This secondary data was very useful and time saving.

The primary data was gathered through a questionnaire containing 27 questions. These questions were closed-ended questions. The closed-ended questions limit the answers in a fixed number of questions where the respondent has to choose from.

These questionnaires were handed face-to-face in order to be easier to translate the questionnaire since they were conducted in English, this was also time consuming.
For the completion of this study there have been used books, online books, online articles, various websites and the questionnaire.

**4.6. Data Analysis**

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

This case study is a combination of an exploratory and explanatory study. The questionnaires consisted only of closed-ended questions. The results of these questionnaires are put in tables in order to be easier to understand and discussed in the results.

**4.7 Semi structured interview**

The “interview” is a managed verbal exchange (Ritchie & Lewis 2003). The decision to interview implies a value on personal language as data. Face-to-face interviewing may be appropriate where depth of meaning is important and the research is primarily focused in gaining insight and understanding (Ritchie & Lewis 2003)

A useful concept in describing types of interviews is the continuum; any particular interview can be placed between unstructured and structured. The unstructured pole is closer to observation while the structured use of closed questions is similar to types of questionnaires. The interview here could be described along the continuum as semi-structured (Newton 2010). A semi-structured interview is open, allowing new ideas to be brought up during the interview as a result of what the interviewee says.
5 RESULTS

5.1 Findings about Fortesa

This part will cover findings on customers and potential customers to see what they think of a brand and how they see it positioned on the market. What is the possibility for non-customers to be Fortesa’s customers in the future? Several same questions have been asked to both non-customers and customers, at the conclusion I will try to find correlation between them. Comments underlined after results are of my personal experience, after ongoing talks with the CEO of the company, and of conversations with different division managers and sales people.

5.1.1 Demographics

![Gender](image)

Figure 6: Demographics results

Female were more interested in the design brands that Fortesa offers and their trust on the brand was shown by willing to pay for quite more expensive products. This was particularly shown in the price premium that they were willing to pay more at Fortesa rather than male.
Figure 7: Age of participants

Figure 8: Location of participants
5.1.2 Brand Awareness

This is a simple question for people who have never been clients to Fortesa, in order to understand how well the brand is recognized and do they know specifically with what Fortesa deals. Purpose of the question was to see how familiar people are with the brand.

<table>
<thead>
<tr>
<th>Name the first company that comes in your mind that deals with tiles?</th>
<th>Fortesa</th>
<th>Others</th>
<th>Can’t recall</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>10</td>
<td>4</td>
<td>1</td>
</tr>
</tbody>
</table>

Out of 15 participants 66.66% percent of them know Fortesa prior to other brands that deal with tiles that show the Brand Dominance. All of them when asked do you have an opinion of Fortesa replied yes. Also when asked if they know that Fortesa deals with tiles they all replied they do. They had knowledge about the brand, even if it was not the first brand remembered. And when asked if they would consider buying at Fortesa 15 of them replied that they would consider.
Brand awareness reflects the salience of the brand in the customer mind (Aaker 1996). According to Aaker (1996) there are different levels of awareness, which include: Recognition, Recall, Top-of-mind, Brand Dominance, Brand Knowledge, and Brand Opinion.

People know about Fortesa and that deals mainly with tiles, when asked if they know that Fortesa offers different products for different parts of the house two out of fifteen were aware for the following items.

![Figure 11: Brand extension](image1)

When asked if they know that Fortesa offers design radiators and exclusive wall-coverings four out of fifteen participants said that they are aware.

![Figure 12: Brand Extension](image2)
The differentiation and comparisons for following products is more difficult for them rather than for laminates and parquets because in the market they can find plenty of established firms in the category. This means that little has been done to show people and explain the product range but concentration have been made to build a strong brand, which represents values instead of showing the products.

5.1.3 Price Premium

*The following question is asked to customers of Fortesa.*

A basic indicator of loyalty is the amount a customer will pay for the brand in comparison with another brand (or set of comparison brands) offering similar benefits (Aaker, 1996).

How much more are you willing to pay for similar products at Fortesa rather than to its competitors? Out of 15 participants 3 of them were willing to pay 10-15 % more for similar product, 6 of them were willing to pay 5-10%, 5 of them 0-5% and one is not willing to pay more for similar product.
According to Aaker (1996) the Price Premium might be the single use measure for brand equity because, in most contexts, any driver of brand equity should affect the price premium. The price premium thus becomes a reasonable summary of the strength of the brand. Aaker (1996) further suggests that in order to find precise results the brand should not be compared to a higher-priced brand as the price premium could be negative. Regarding Fortesa this an adequate question as the brand is seen as a medium to high price brand. From the answers we can notice that the results are excellent as most of the customers are willing to pay more for the brand. During the interview few participants noted that they are loyal customers of the brand also for the fact of the hospitality of the salesman.

5.1.4 Perceived quality & Leadership measures

According to Aaker (1996) perceived quality can be measured with scales such as the following: In comparison to alternative brands, Fortesa

- Has: high quality vs. average quality vs. inferior quality
- Is: the best vs. one of the best vs. one the worst vs. the worst
- Has: consistent quality vs. inconsistent quality
Customers were asked the following question: In comparison to alternative brands, Fortesa has high quality products, average quality products or inferior quality products?

Below the answers can be found.

<table>
<thead>
<tr>
<th></th>
<th>High quality products</th>
<th>Average quality products</th>
<th>Inferior quality products</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fortesa has</td>
<td>13</td>
<td>2</td>
<td></td>
</tr>
</tbody>
</table>

Figure 14: Perceived quality

When asked to non-customers the results are different but with no negative results to the brand.

<table>
<thead>
<tr>
<th></th>
<th>High quality products</th>
<th>Average quality products</th>
<th>Inferior quality products</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fortesa has</td>
<td>10</td>
<td>5</td>
<td></td>
</tr>
</tbody>
</table>

Figure 15: Perceived quality and leadership measures

In comparison to other brands, Fortesa is the best, one of the best, one of the worst or the worst?
Figure 16: Perceived quality and leadership measures

Figure 16 above lays down the answers to the question which is the best in the particular category. 4 answered that it is one of the best and 11 said is the best.

Non customer’s results are shown below:

Figure 17: Non customer perception about the brand.
The results are again slightly different from customers and non-customers, mostly due to lack of experience with the brand. 10 of the participants stated that is one of the best and 5 of them stated that Fortesa is the best. No negative answers were recorded toward the brand.

The customers believe that Fortesa has consistent quality mostly due to the fact that it is a proven company in the market for more than 22 years and something they can evaluate during that period of time, something very rare in Kosovo. See graph below:

![Figure 18: Consistent quality of the brand](image)

According to Aaker (1996) leadership can be measured by scales that ask whether the brand is:

- The leading brand – one of the leading brands- not one of the leading brands
- Growing in popularity
- Innovative, first that advances in product or service

The same sets of measures have been used to understand the opinion of customers in leadership measures.
The leading brand | One of the leading brands
---|---
Fortesa is | 13 | 2

Figure 19: Leadership measures of the brand.

When asked if Fortesa is the first company that advances in product or service here are results of customers.

![Fortesa is innovative, first that advances in product or service](image)

Figure 20: Inovativeness of the brand

This is considered as strength of company as for many years the company is the first to act in bringing new products and solutions to customers, a bit risky and sometimes unfruitful in sales but helped the brand a lot. Fortesa Home is one of the first if not the first company in Kosovo that introduced worldwide brand in the market like Versace Home. This opened the way for many companies to follow, companies in other sectors as well by offering worldwide brands to Kosovo market.
5.1.5 Customer Satisfaction/Loyalty

The following questions were asked to customers of the company.

Since Fortesa is a retail company satisfaction and loyalty of customers is an especially powerful measure due to the importance of service to the clients, and it plays an important role to final decision to become a client. According to the interview with CEO the service had a major role in the success and building a strong brand of Fortesa.

The loyalty of the customer base reduces the vulnerability to competitive action. Competitors may be discouraged from spending recourses to attract satisfied customers (Aaker 1991).

<table>
<thead>
<tr>
<th></th>
<th>Extremely Satisfied</th>
<th>Satisfied</th>
<th>Neutral</th>
<th>Dissatisfied</th>
<th>Extremely dissatisfied</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quality of the service</td>
<td>10</td>
<td>5</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Product explanation</td>
<td>9</td>
<td>6</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Resolving issues/problems</td>
<td>13</td>
<td>2</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Satisfaction of the delivery of goods on time</td>
<td>8</td>
<td>6</td>
<td>1</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Figure 21: Customers Satisfaction towards the brand.

After the answers we can see from the table that customers are satisfied with the service especially when they had some kind of a problem, where 85% were extremely satisfied with the service. These four questions tended to know the opinion of customers and their loyalty without comparing to competition.
The following question intend to seek answers for loyal customers, brand switchers, and if some loyal to other brands. Below are the answers to the following question: Is Fortesa the only brand you use, one of two, one of three or one of more?

![Fortesa is](image)

**Figure 22: Customer loyalty**

More than half of the customers said that Fortesa is the only brand they use. Even if it’s one of two or one of three brands in the category the brand loyalty is excellent as after all they are using the brand, with majority of them to be their only brand that they use. Those who change through different brands might be because of the technical features like they might like another product more somewhere else most importantly the design, or they found something much cheaper somewhere else and it might not have been that important for them that product as the price was the main reason, like second choice tiles that Fortesa doesn’t offer. Usually it is in the category of tiles in places like basements or something similar.

An even more intense level of loyalty question is answered by all 30 participants below:
Figure 23: Recommendation of the brand to other people by customers results.

Twenty three participants would recommend and 7 of them they might recommend Fortesa to others.

5.1.6 Brand Personality

The following questions were asked to all 30 participants.

Aaker (1997) offers a five factor scale of brand personality: 1) Sincerity (e.g., down-to-earth, honest, wholesome, and cheerful), 2) Excitement (e.g., daring, spirited, imaginative, and up-to-date), 3) Competence (e.g., reliable, intelligent, and successful), 4) Sophistication (e.g., upper class and charming), and 5) Ruggedness (e.g., outdoorsy and tough).

Based on the five factor scale of a brand personality the following questions have been made to be answered by all the participants.
<table>
<thead>
<tr>
<th>Perception</th>
<th>Strongly agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fortesa is a brand you can trust</td>
<td>8</td>
<td>13</td>
<td>9</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fortesa is a successful company</td>
<td>14</td>
<td>9</td>
<td>7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fortesa is an elegant and sophisticated brand</td>
<td>13</td>
<td>9</td>
<td>6</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Fortesa is a sophisticated and prestigious company</td>
<td>12</td>
<td>10</td>
<td>5</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Fortesa is family oriented and sincere brand</td>
<td>15</td>
<td>10</td>
<td>5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fortesa is imaginative and up to date company</td>
<td>18</td>
<td>6</td>
<td>6</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Figure 24: Brand personality

From the answers we can notice that people see Fortesa as a prestigious and sophisticated brand, which mostly in Kosovo is associated with high price products. As well as a company who they can trust this is a good correlation between being trustworthy and sincere to a successful and prestigious company. The brand had benefited from the position in the market by being able to offer exclusive products and increasing profit margins.

5.2 Problems/Cautions

From the interview the results might not be 100% percent accurate, as the researcher believe that since the questions were made by me they might not have been very comfortable in saying bad or they might have felt uncomfortable showing their true feelings about the brand. Mainly I believe is at the part of Fortesa being the best, or if they would change to another company or how much more are they willing to pay for similar product at Fortesa. Still at some degree like their satisfaction during their buying or their loyalty to the brand as well as personality of the brand I believe they were honest in their answers. Even though for the first parts I have already mentioned that something may have gone biased I strongly believe that at a satisfied percentage the results are accurate.
The linkage between customers and non-customers is slightly different due to the effect of the information that they have towards the brand. Customers have affection towards the brand due to the service and the experience that they have with the brand. They had the chance to create a loyalty to the brand which is the core dimension of the brand equity. The benefit from the services offered by the firm like free transportation of the goods from excellent return policies and high quality service provided to them. Non-customers are rather neutral but with no negative opinions for the brand and as they stated they would consider being a client in the future, they think that Fortesa has high quality but offers rather expensive products. Their perceived values towards the brand are positive as they think that Fortesa is one of the best companies in the sector of retailing tiles and it offers consistent quality. Thus the connection of perceived values as stated by Aaker (1996) is highly connected to price premiums the non-customers are willing to pay slightly more for Fortesa for similar product, which is one of the key measures of brand equity.

As a conclusion from the case study, from researchers experience and from the ongoing dialogues with the CEO of the company as well as in coordination to professional marketing firms Fortesa is a company that has benefited a lot from the power of a strong brand. Building a strong brand takes a lot of time but once a strong brand is built the company benefits a lot. The core and the most important factor is that company always tried to create loyal and satisfied customers. That being said is the reason why the results are more positive for the brand from the customers compared to non-customers. After using the product and being a customer once that’s the time when the brand starts benefiting.

Brand awareness is closely related to increasing sales and Fortesa is a brand with high awareness. Brand awareness is very important in building brand equity. Brand awareness, perceived quality, and brand associations can strengthen brand loyalty by increasing customer satisfaction and providing reasons to buy the product. Brand
awareness helps the brand to create an identity thus helping the brand increase sales and position itself strongly in the market. That is what research study and literature tells us and Fortesa is an example of that and it is the brand that has helped the company grows and increase sales yearly.

Aaker (1996) suggests that price premium is a core dimension of measuring brand equity and based on results of the case study Fortesa has benefited by creating higher margins for products by permitting premium pricing and reducing reliance on promotions. Finally, brand equity assets provide a firm with a significant advantage: a barrier that may prevent customers from switching to a competitor.

Companies in Kosovo just recently have started to give importance to branding, understandings its importance and its benefits. That happened due to the lack of experience as stated before it has been just a bit more than 20 years that companies in Kosovo were allowed to open their own companies, and that is one of the main reasons due to lack of information in terms of branding. Young entrepreneurs and young businessmen know and understand more the power of branding, although the barriers for young people to get involved in their own business are usually high.

More studies and researches should be done for everyone to understand and evaluate branding as an important factor for achieving success as benefits when understood right are enormous. Based on the literature and the research for this thesis the researcher understood that branding and its dimensions is a field that is a must to study for all of those tending to have long term businesses. Because that’s how the brand is usually associated as a long-term success for a certain company. There are lots of examples of successful companies that gave importance to creating a strong brand because for many years they understood how important is branding and how their respective company can benefit by creating a strong brand. Especially for a firm to go global, branding will play a very important role in their success or failure for that particular firm. That has been proven with companies that sell daily products that are easy to be replaced, but have reached global success by creating a strong brand. Coca-
Cola, McDonalds, Pepsi, Nescafe, Starbucks, Heineken etc… Are just a few examples for products that can be replaced but because of their brand they maintain an extremely high market share and are very powerful companies. These are companies that are listed by Interbrand.com as one of the best 100 global brands. Many blind tests have shown that it’s more a perception toward a brand and customers trust rather than product itself as shown an example earlier in this thesis.

Branding is one of the fields with high importance there are many more important sectors to be considered when thinking to create a brand and with a mind on global markets. Neglecting the importance of branding would be a high mistake for anyone in involved in business.
7 RECOMMENDATIONS AND FUTURE WORK

The recommendations and future works chapter gives recommendations for theory, and future works which may be very helpful for these 2 categories.

7.1 Implications for Theory

The main focus of this research paper was to find out what is more significant: The values of the brand or the product itself? What is the most important part of brand equity in order to increase sales? How to measure brand equity?

In the future there can be examples or models shown where the direct link between brands attributes and how they are transmitted through many promotion channels to the customers, and how those customers form their perception about a certain brand. There can be researches done to find out the most important element in brand equity which is directly linked with increased sales, and how that element is taken in consideration in a company’s daily operations. As well as how particular customers decide to purchase a product and by time become a loyal customer to that brand and its products and why he becomes so loyal and why he is willing to pay a certain price premium for that brand.

Measuring brand equity in the most exact way is a challenge for all of those who are willing to conduct researches in the field of branding. Aaker has done some brilliant work on explaining how to measure brand equity and it is highly suggested to review his literature. Branding is a very broad field that when studied it will be noticed that it not that simple as first thought. Researching its dimensions is highly recommended for future works. For example, studying deeper one of the core dimensions of brand equity, like price premium or brand awareness is recommended.

Linkage between theory and companies in Kosovo should be a priority as that would lay down the differences between theory that is mostly from developed countries.
and companies that in Kosovo lack experience in the field of branding. That is something highly recommended for future researches. Literature is huge and there are a lot of materials to be studied and researchers in the future should give importance in studying the latest literature as branding as a field has evolved all over the world.

7.2 Implications for company

This research comes to many implications for companies in general, since it came to findings that brand equity is of high importance to any company who is interested in increased sales. This means that this research can be of value to any company, since increased sales is always an intriguing topic for any company everywhere and is often its main goal. According to the respondents most of them said that the company “Fortesa” is known for a high quality brand and those respondents that were clients to that company were satisfied with its products and have become loyal customers to it, and the other non-clients were willing to be potential customers. This is because of their perception about this company that it offers only the best products and has built a certain trust and created a good and strong brand image in people’s minds.

Companies in retail or other sectors, especially companies that have to deal directly with the customer as a product or not, are highly suggested to give importance in branding as the benefits are immense. In Kosovo not all the companies stress enough the importance of brand values and how they can benefit from it. Those who have known the importance of branding have benefited and grown a lot. The most important thing about branding is to give the brand values that would represent it to the customers. And those values must be protected at all time. Brand awareness is a dimension that companies first must start to give importance to create awareness at the people that they exist than they must create an Identity something that they stand for something that they represent. They must understand that every customer of them is their ambassador for the future the word of mouth will spread quickly, so if that is positive the brand will create a customer satisfaction. Companies if they created a strong brand will benefit as they can enhance
the efficiency and effectiveness of marketing programs. For example a company that wants to exceed its program with a new product has a chance of succeeding if the brand is associated as a quality brand. Brand benefit also by increasing profit margins and the final and the most important is that the brand equity will create a barrier for the customer to switch to competition.

In Kosovo branding is not studied that much and companies due to the lack of experience tend to neglect the fact and the benefits that they would get from creating a strong brand. Companies in Kosovo particularly, must bear in mind that all the factors for creating a strong brand should be studied, starting from integrated marketing communications, thus transmitting the brand values and its attributes in the most proper way. Than customer service should be given a high importance as that will create loyalty towards the brand as people will trust the company. Lying customers just to gain quick profits will create fear and insecurity among consumers and that might affect the all sectors of that industry as there have been some examples in Kosovo, like in the automotive industry and we have seen people buying cars from abroad due to the insecurity. Branding is important for creating a long-term successful business. In Kosovo a lot must be done and us a society we need to be taught of brandings importance, and a future research in branding would be highly recommended as branding is a broad field and there is a lot to be learnt.

7.3 Recommendations for Future Researches

During the completion of this research,

In the future researches I would recommend and suggest that:

1) In these kind of research the sampling kind to be widened demographically and geographically in order to have a more expanded knowledge and data.

2) In future questionnaires the number of questions can be higher thus including more detailed questions so giving deeper insights regarding this topic.
3) It would be very useful to do a research on what importance do companies pay on the brand image, and with that means do they work in order to create a strong brand?

4) In this kind of research a larger number of interviewers are suggested, in order to get as more accurate results as possible.

Even though these topics were merely discussed in this thesis they still can be elaborated and explored in a more wide way for companies to see were to focus more and where to focus more when trying to create brand equity and its impact on increased sales.

As for Fortesa company for future work it highly recommended to interview a larger number of people. To analyze deeper one of the dimension of the brand equity as this paper mostly suggest in broader terms on measuring brand equity and it dimensions. Thus a more deep analyze for only price-premium or only for brand awareness it might be very helpful for the company and at the same time researchers it might be very intriguing to find the results that are always interesting in this sense.

In the retail business in general it is highly recommended to conduct researches that are linked with branding as it will help companies grow their business and researchers to understand much better the importance of branding in today’s worlds business. In Kosovo, branding is coming as a slightly new important factor in having a successful business. Therefore there is a huge gap to be filled with proper researches and studies and a lot to be learnt by everyone. It is highly recommended to research mostly in creating a strong brand and maintaining it and understanding better the importance of branding. An interesting and important part would be the linkage and examples of understating the importance of branding in Kosovo and in more developed countries, what would be the differences. Also taking case studies for companies that don’t understand and evaluate branding that high and showing them how would they benefit and gain profits by creating a long term successful business.
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9.1 Questionnaire

Purpose of the questionnaires is to understand better what does the brand ‘Fortesa Home’ stand for, for both clients and potential clients.

I will seek a few answers for the following important research questions:

- What is the perception of the brand, and how accurate is that perception?
- How familiar is the brand to different ages?
- What is the main strength of the brand?
- Are the clients satisfied with Fortesa?

A total of 30 people were given this questionnaire to answer, 15 customers and 15 non-customers. Some questions have been asked to both customers and non-customers.

This questionnaire was handled personally by me and I was highly involved in explaining the questions properly to avoid any misunderstandings.

Dear Sir/Madam,

Thank you very much for taking your time to fill this questionnaire which is of a great importance to finish my bachelor thesis.
I ask you politely to try to give honest answers in order to get as more accurate results as possible. All of your information and your answers will remain confidential.

Yours faithfully,
Granit Sahiti
Demographics

Name:  Surname:

Gender:
-Male - Female

Age:
15-18  18-25  25-35  35-50  50-65

Location:

Marital status:

9.1.1 Questionnaire for ‘Fortesa Home’ customers

1. How much more are you willing to pay for similar products at Fortesa rather than to its competitors?
   - 10-15%
   - 5-10%
   - 0-5%
   - 0%

2. In comparison to alternative brands, Fortesa has?
   - High quality products
   - Average quality products
   - Inferior quality products
3. In comparison to alternative brands, Fortesa is?
- The best
- One of the best
- One of the worst
- The worst

4. In comparison to alternative brands, Fortesa?
- consistent quality
- inconsistent quality

5. In comparison to alternative brands Fortesa is?
- The leading brand
- one of the leading brands
- not one of the leading brands

6. Do you think Fortesa is innovative, first that advances in product or service?
- Yes
- No
- Other

7. How satisfied are you with the quality of the service?
- Extremely satisfied
- Satisfied
- Neutral
- Dissatisfied
- Extremely dissatisfied

8. How satisfied are you with product explanation
9. When problems, questions or any kind of issue how satisfied had you been with the employees readiness to fix the problem or to resolve the issue
   - Extremely satisfied
   - Satisfied
   - Neutral
   - Dissatisfied
   - Extremely dissatisfied

10. When placed orders how satisfied were you with the delivery of goods on time?
   - Extremely satisfied
   - Satisfied
   - Neutral
   - Dissatisfied
   - Extremely dissatisfied

11. Fortesa is?
   - The only brand you use
   - One of two
   - One of three
   - One of more
   - Other

12. Would you recommend Fortesa to others?
   - Yes
   - Maybe
   - No
13. Is Fortesa a brand you can trust?
- Strongly agree
- Agree
- Neutral
- Disagree
- Strongly disagree

14. Do you think Fortesa is a successful company?
- Strongly agree
- Agree
- Neutral
- Disagree
- Strongly disagree

15. Fortesa is an elegant and sophisticated brand?
- Strongly agree
- Agree
- Neutral
- Disagree
- Strongly disagree

16. Fortesa is sophisticated and prestigious company

- Strongly agree
- Agree
- Neutral
- Disagree
- Strongly disagree

17. Fortesa is family oriented and sincere brand
- Strongly agree
- Agree
- Neutral
- Disagree
- Strongly disagree

18. Fortesa is imaginative and up to date company

- Strongly agree
- Agree
- Neutral
- Disagree
- Strongly disagree

9.1.2 Questionnaire for ‘Fortesa Home’ non-customers

19. Name the first company that comes in your mind that deals with tiles?
   - Fortesa
   - Others
   - Can’t recall

20. Do you have an opinion about Fortesa
    - Yes
    - No

21. Do you know that Fortesa deals with tiles
    - Yes
    - No
22. Would you consider being a client of Fortesa in the future?
- Yes
- No

23. Did you know that Fortesa also offers different items like Parquets and Laminates?
- Yes
- No

24. Did you know that Fortesa also offers different items apart from tiles like design radiators and wall coverings?
- Yes
- No

25. In comparison to alternative brands, Fortesa has?
- High quality products
- Average quality products
- Inferior quality products

26. In comparison to alternative brands, Fortesa is?
- The best
- One of the best
- One of the worst
- The worst

27. Would you recommend Fortesa to others?
- Yes
- Maybe
- No
28. Is Fortesa a brand you can trust?
- Strongly agree
- Agree
- Neutral
- Disagree
- Strongly disagree

29. Do you think Fortesa is a successful company?
- Strongly agree
- Agree
- Neutral
- Disagree
- Strongly disagree

30. Fortesa is an elegant and sophisticated brand?
- Strongly agree
- Agree
- Neutral
- Disagree
- Strongly disagree

31. Fortesa is sophisticated and prestigious company

- Strongly agree
- Agree
- Neutral
- Disagree
- Strongly disagree
32. Fortesa is family oriented and sincere brand

- Strongly agree
- Agree
- Neutral
- Disagree
- Strongly disagree

33. Fortesa is imaginative and up to date company

- Strongly agree
- Agree
- Neutral
- Disagree
- Strongly disagree