

ST. MARY'S UNIVERSITY COLLAGE
SCHOOL OF GRADUATE STUDIES



**FACTORS AFFECTING CONSUMERS BRAND PREFERENCE OF BEER
PRODUCTS**
A CASE OF SELECTED HOTELS OPERATING IN ADDIS ABABA

By
SAHLU MENTESNOT

JANUARY, 2018

SMU

ADDIS ABABA

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**A SENIOR ESSAY SUBMITTED
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Acronyms and Abbreviations

ABV	Alcohol by Volume
CSA	Central Statistics Agency
GDP	Gross domestic product

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DECLARATION

I, the undersigned, declare that this thesis is my original work, prepared under the guidance of _____ . All sources of materials used for the manuscript have been duly acknowledged. I further confirm that the thesis has not been submitted either in part or in full to any other higher learning institution for the purpose of earning any degree.

Name

Signature

Place of submission: St. Mary's University

Date of submission: January 15, 2018

ENDORSMENT

This thesis has been submitted to St. Mary's University College, School of Graduate Studies for examination with my approval as a university advisor.

Advisor

St. Mary's University Collage, Addis Ababa

Signature

Date of submission: _____

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ABSTRACT

The study was conducted on assessing the factors affecting consumers brand preference of beer products in selected hotels operating in Addis Ababa city. The study focused on situational, personal and cultural factors that influence consumers' beer brand preference. The study focused which factors were more influential on customer's preference of beer brands. It was conducted by taking beer products as only reference to the study. Descriptive and explanatory type of research design was employed as a main research design for this study. questionnaires were used to collect primary data from 220 respondents, out of which 200 valid questionnaires were collected and analyzed. Convenience sampling technique were used for customers that are conveniently available in the hotels during data collection. Statistical Package for Social Science (SPSS) software version 23 were used to analyze data through statistical tools for this study, namely correlation and multiple regression analysis. Brand preference of beer products can be predicted by the quality of beer, price of the beer, reference group influence, emotional benefit, and advertisement about the beer and other variation of brand preference of the beer products can be explained by other variables. The result indicated that among the determinant factors of beer brand preference the most important determinants of beer preference were quality, emotional benefit, and advertisement, followed by price of the beer. There is significant and positive relationship between brand preference of beer products and its determinants quality, price, emotional benefit, and advertisement.

Key words: *Consumer behavior, Customer brand preference, Beer.*

CHAPTER-ONE

1.1. Back Ground of the Study

There are many studies done by researchers and marketers about consumer behavior. One of the common view is that understanding consumer behavior has become a factor that has a direct impact on the overall performance of the businesses (Kotler and Keller, 2012). Consumer behavior is the study of how individuals, groups, and organizations select, buy, and dispose of goods, services, ideas, or experiences to satisfy their needs and wants. (Solomon, 2011). There are characteristics behind every buying decision that can come from cultural, social, personal or psychological factors. Each of these factors includes dimensions that can be used in marketing (Tanja, 2015). Marketers can use these factors so subtle that consumers might not even recognize it. Consumers might think that “I have always bought this same brand or product”, but they do not recognize that where the affecting factor behind this decision come from.

Beer is the oldest and most widely consumed alcoholic drink in the world. (Arnold, 2005), and the third most popular drink overall after water and tea. (Max Nelson, 2005), Beer is brewed from cereal grains most commonly from malted barley, though wheat, maize, and rice are also used. During the brewing process, fermentation of the starch sugars in the wort produces ethanol and carbonation in the resulting beer (Barth, Roger, 2013), Most modern beer is brewed with hops, which add bitterness and other flavors and act as a natural preservative and stabilizing agent. Other flavoring agents such as fruit, herbs, or fruits may be included or used instead of hops. In commercial brewing, the natural carbonation effect is often removed during processing and replaced with forced carbonation. Beer is distributed in bottles and cans and is also commonly available on draught, particularly in pubs and bars.

Beer was introduced in Ethiopia in the early 20th century, and the first brewery, St. George, was established in the early 1920s. Over time, beer has become an increasingly popular beverage and consumption is currently estimated at about 3-3.5 million hectoliters per year (Roberto & Samuel, 2009).

Ethiopian beer industry has seen much activity in recent years including a surge in demand associated with increased urbanization, population growth, rising incomes. Growth in beer

consumption has been growing high 24 percent per year in Ethiopia, roughly double the average annual growth rate in real GDP. Even after such a rapid increase, however, per capita beer consumption in Ethiopia is still only a fraction of the level seen in other African countries according to Access Capital estimates (2010). The beer production in the country grows from one million hectoliters to around four hectoliters from 2003 to 2011, annual growth rate is around 20%, and which is very high as compared to many countries of the continent. (Mulugeta, Tesfaye and Asnake, 2016). (Cronin and Taylor, 1992) stated that the biggest challenge faced by the beer industry market is to determine and measure the preference of the customers by comparing the standard of the product with the customer satisfaction. Customers' perceptions are considered to be the major indicator in order to assess the product quality of the beer industry. There are wide range of factors that can affect consumer behavior in different ways. These factors are divided by Hoyer, (MacInnis, & Pieters, 2012) into four broad categories: situational, personal, social and cultural factors.

According to the research conducted by (Mulugeta et al. 2016), the level of brand loyalty of beer consumers were not in one loyalty stage and almost 1/3 consumers were not totally loyal for their respective beer choice. The thesis studies how those factors behind purchasing decisions through personal, social and psychological factors of consumer buying behavior. Beer is chosen as a research subject on this thesis. Beer is widely used in Addis Ababa and throughout the country. It is interesting to study how the consumer has ended up selecting the specific beer brand and what has been the effecting factors.

1.2. Statement of the problem

Brewery companies have played a role in the country's economic growth. They generate revenue to the government through taxes; create employment to the locals in the product manufacturing, packaging and distribution to the retail outlets. The beer companies significantly growing in Ethiopia. The effect of this has been a reduction in market share, declining profitability and stiff competition. As a result, companies were forced to craft strategies in order to sustain or grow their market share, expand to new territories or markets.

Ethiopian beer production grows from one million hectoliters to around four million hectoliters from 2003 to 2011, annual growth rate is around 20%, which is very high as compared to many countries of the continent, (Mulugeta et al, 2016). Other study shows that price and risk-taking behaviors had a significant impact on beer brand choice. Consumption behaviors among college students were influenced by emotions, (Ritter, 2008). The research conducted by

(Mulugeta et al, 2016) shows that the level of brand loyalty of beer consumers were not in one loyalty stage and almost 1/3 consumers were not totally loyal for their respective beer choice.

Few years ago, there were few beer brands in Ethiopian beer market. Today there are several breweries brewing millions of hectoliters of beer under different brand names including St Georgies, Castel Beer, Dashen, Jano, Walia, Meta, Bedele, Bedele Special, Harar, Hakim Stout, Habesha, Zebidar, Heineken, Raya Beer. So the growth of beer production and the availability of such different brands in the market show the sign of competition in the beer industry.

(Kotler, Armstrong, Wong & Saunders, 2008) argue that consumer purchases are influenced strongly by cultural, social, personal and psychological factors. Factors affecting consumers brand preference of beer products in Addis Ababa were not fully understood. Recorded studies regarding the Addis Ababa setting in this area can namely not be found. Therefore, the Addis Ababa market was sampled as a relevant and accessible segment to investigate the following research problem for this research.

Therefore, this research tried to identify the factors affecting consumers brand preference of beer products in Addis Ababa city.

1.2. Research Questions

The study will be conducted by the following research questions:

1. What are the factors affecting consumers brand preference of beer products?
2. How does group influence affect the consumers brand preference of beer products?
3. How does advertisement affect the consumers brand preference of beer products?
4. Which factors have the most significant impact on beer brand choice?

1.4. Objective of the study

1.4.1 General Objective

The general objective of this study is to identify the factors affecting consumers brand preference of beer products of selected hotels operating in Addis Ababa.

1.4.2 Specific Objectives

Besides the above mentioned general objective the study will have the following specific objectives:

- To identify the relationship between quality and consumer brand preference.
- To identify the relationship between demography and consumer brand preference.
- To identify the relationship between reference groups influence and consumer brand preference.
- To identify the relationship between advertisement and consumer brand preference.
- To identify the relationship between price and consumer brand preference.
- To identify the relationship between emotion and consumer brand preference.

1.5. Research Hypothesis

The study examines the following hypothesis.

Ho1: Quality has no positive and significant effect on brand preference of beer products.

Ho2: Price has no positive and significant effect on brand preference of beer products.

Ho3: Reference group influence has no positive and significant effect on brand preference of beer products.

Ho4: Emotion benefit has no positive and significant effect on brand preference of beer products.

Ho5: Advertisement has no positive and significant effect on brand preference of beer products.

1.6. Scope of the study

The study was conducted on assessing the factors affecting consumers brand preference of beer products in selected hotels operating in Addis Ababa city specially Piassa, Megenagna, Stedioum, Hayahulet areas. The study focused on situational, personal and cultural factors influence on consumers' beer brand preference in Addis Ababa city. The study focused which factors were more influential on customer's preference of beer brands. It was conducted by taking beer products as only reference to the study. The research paper conducted to find out the factors affecting consumers brand preference of beer products at selected Hotels operating in Addis Ababa.

1.7. Limitation of the study

This research is focused on factors affecting consumers brand preference of beer products in Addis Ababa city selected hotels. since the consumption pattern from other products may differ. Consumers show unique buying behavior to every single product. More research is needed in order to have a better understanding of the consumer beer preference with many variables. While doing the research the following limitation has occurred, shortage of time, Lack of available information within the time frame.

1.8. Significant of the study

The outcome of this research can be beneficial for the exiting manufactures of beer product as well as new comer to the industry. This research will help them to identify the factors affecting brand preference and guide them to adjust their marketing strategy with consumer's preference. In addition, the research will be useful for marketing students who are interested in improving their knowledge in the subject of brand preference. This target group might find the research useful to deepen the familiarity with this issue, and use the paper as a starting point for further related studies.

1.9. Organization of the Paper

This study will have five chapters. Chapter one deals with background of the study. Chapter two deals with review of related literature. Chapter three will deals with methodological issues. Chapter four will give explanation for the result of data analysis. And the last chapter will discuss the findings summary, conclusion and will make recommendations respectively.

CHAPTER-TWO

Review of related Literature

This chapter gives an overview of theoretical literature review and empirical review that is related to the research problem presented in the previous chapter in order to give a clear idea about the research area.

2.1. Consumer behavior

Consumer behavior is the study of how individuals, groups, and organizations select, buy, and dispose of goods, services, ideas, or experiences to satisfy their needs and wants. (Michael & Solomon, 2011) There are wide range of factors that can affect consumer behavior in different ways. These factors are divided by (Hoyer, W.D., MacInnis, D.J., & Pieters, R. 2012) into four broad categories: situational, personal, social and cultural factors.

Situational factors impacting consumer behavior may include location, environment, timing and even weather conditions (Hoyer et al. 2012). In order to benefit from situational factors major retailers, attempt to construct environment and situations in stores that motivate perspective customers to make purchase decision. Range of available tools to achieve such an outcome include playing relaxing music in stores, producing refreshing smells in stores and placing bread and milk products in supermarkets towards the opposite end of stores to facilitate movement of customers throughout the store to make additional purchases etc. According to (Hoyer et al. 2012) social factors impacting consumer behavior arise as a result of interactions of perspective consumers with others in various levels and circumstances. Targeting members of society perceived as opinion leaders usually proves effective strategy when marketing products and services due to the potential of opinion leaders to influence behavior of other members of society as consumers.

Consumer behavior studies individuals and groups when they select, purchase, use and dispose products, ideas, services or experiences. Consumers seek items to satisfy their basic needs and desires. Consumer behavior is much more than studying what consumers buy. It attempts to understand how the decision-making process goes and how it affects consumers' buying behavior. (Solomon, 2004), Marketers study consumers buying patters to solve where they buy, what they buy and why they buy. However, why consumers buy a specific product is not easy

to solve because the answer is locked deep within the consumers' mind. (Kotler & Armstrong, 2010) Generally, consumers can be categorized into individual and organizational consumers. Individual consumers try to satisfy their own needs and wants by purchasing for themselves or satisfy the need of others by buying for them. These individual consumers can come from different backgrounds, ages and life stages. (Kardes, Cline & Conley, 2011).

A consumer's buying behavior is influenced by cultural, social, personal and psychological factors. Consumer behavior is a part of human behavior and by studying previous buying behavior, marketers can estimate how consumers might behave in the future when making purchasing decisions. (Kotler & Armstrong, 2010).

2.1.1. Cultural factors

Culture is the most fundamental determinant of a person's wants and behavior. Whereas lower creatures are governed by instinct; human behavior is largely learned. The child growing up in a society learns a basic set of values, perceptions, preferences and behaviors through a process of socialization involving the family and other key institution. Thus a child growing up in America is exposed to the following values: Achievement and success, activity, efficiency and practicality, progress, material comfort, individualism, freedom, external comfort, humanitarianism, and youthfulness (Pandey and Dixit, 2011).

Culture is the essential character of a society that distinguishes it from other cultural groups. The underlying elements of every culture are the values, language, myths, customs, rituals, laws, and the artifacts, or products that are transmitted from one generation to the next (Lamb, Hair and Daniel, 2011). Culture is the complex of beliefs of human societies, their roles, their behavior, their values, traditions, customs and traditions. Culture is an extremely important concept to understand consumer behavior and that needs to be examined. Culture is the sum of a shared purpose among members of society, customs, norms and traditions (Michael, 2006).

2.1.2. Social factors

Every consumer is an individual, but still belong to a group. The group to which a consumer belongs is called a membership group. This is a direct and simple classification. The second group type is a reference group. The reference group influences the self-image of consumers and consumers' behavior. The reference group provides some points of comparison to

consumers about their behavior, lifestyle or habits. Usually there are many smaller reference groups, which are formed by family, close friends, neighbors, work group or other people that consumers associate with. The groups to which a consumer does not belong yet can also influence. These aspirational groups are groups where a consumer aspires to belong and wants to be part in the future. (Kotler, Armstrong, 2010), (Khan, 2006).

Family members can influence individual consumers' buying behavior. A family forms the environment for an individual to acquire values, develop and shape personality. This environment offers the possibility to develop attitudes and opinions towards several subjects such as social relations, society and politics. Social influences consist of influential factors determined by family and friends. College students have more of a tendency to drink the brands that their parents and friends consume on a regular basis. When children leave their parent's home to join the workforce or go off to college, then a majority of them are taking their parents' purchasing behaviors with them. These behaviors may diminish over time as the young adult is separated from their family, but the influence is still apparent. (Tammi & Feltham, 1998). In addition, adolescents are exposed to peer-pressure and group-think mentalities, which lead them to consuming brands that their friends and peers consume. (Collins, Schell, Ellickson, & McCaffrey, 2003), This social influence stems from persuasion by attitudes and behaviors of fellow peers (Denise & Kandel, 1980). Therefore, normative influences can have an effect on brand choice for the beer product category.

Throughout research on social behavior, other individuals' behaviors may serve as cues which could increase the potential for behavior. In addition, the behavior of others might remind the individual that alternatives to their own behavior are available (Bandura, 1977). A family creates first perceptions about brands or products and consumer habits. (Kotler, Armstrong, 2010), (Khan, 2006). Individuals play many different roles in their lives. Each role consists of activities and attitudes that are expected from an individual to perform according to the persons around him. (Kotler, Armstrong, 2010), Social status reflects the position that individuals have in social groups based on such things as money and wealth, education or occupation. In many societies status is important and people want the admiration of others. Social status can be acquired by being successful in life or being born into money. Product and brand selection often reflects the social role and status. (Ray, 2006).

2.1.3. Personal factors

An individual's decisions are influenced by personal factors such as a buyer's age and life cycle state, occupation, economic situation, lifestyle, and personality and self-concept. Consumers' change during their life and buying of products alter depending on age and stage of life. Age related factors are such as taste in food, clothing, recreation and furniture. Moreover, environment, values, lifestyle, hobbies and consumer habits evolve during lifetime. Family life stages change purchasing behavior and brand selection. Traditionally a family life cycle included only young singles and married couples with children. Nowadays marketers are focusing on alternative, nontraditional stages such as unmarried couples, childless couples, same sex couples, single parents and singles marrying later in life. (Kotler, Armstrong, 2010), It can be assumed that consumers' taste can change during lifetime and has influence on coffee brand selection in different stages of life.

A consumer's occupation and purchasing power influence purchasing decisions and buying behavior. The income level affects what consumers can afford and the perspective towards money. People, who share similar occupations, tend to have similar taste in music, clothing and leisure activities. They usually socialize with each other, and share the same kind of values and ideas. Income level effects on what consumer can afford and perspective towards money. (Solomon, 2004), Individuals from lower income groups are probably more interested in buying products that are necessary for survival than spending on luxury brands or designer clothes. Consumers' life style tells how the person lives and spends money. It is combined from earlier experiences, current situation and congenital characteristics. The product choices that consumers make are related to their lifestyle. An individual's lifestyle consists of different life style dimensions (Khan, 2006).

2.1.4. Psychological factors

A buyer's choices are also influenced by four psychological factors, i.e. motivation, perception, learning, and beliefs and attitudes. A consumer is an individual who has different kind of needs. These needs can be biological like thirst or psychological arising from the need of recognition or belonging. A need can be aroused to a sufficient level of intensity when it alters a motive. A motive is basically a need that drives a person to seek satisfaction. Abraham Maslow is

probably the most know psychologist who has examined these human needs. He sought to explain why humans are driven by different needs at different times, (Kotler, Armstrong, 2010).

2.1.5. Situational factors

Situational factors impacting consumer behavior may include location, environment, timing and even weather conditions (Hoyer et al, 2012). In order to benefit from situational factors major retailers, attempt to construct environment and situations in stores that motivate perspective customers to make purchase decision. Range of available tools to achieve such an outcome include playing relaxing music in stores, producing refreshing smells in stores and placing bread and milk products in supermarkets towards the opposite end of stores to facilitate movement of customers throughout the store to make additional purchases etc. The temporary nature of situational factors is rightly stressed by (Batra & Kazmi, 2009).

2.1.6. Reference groups

A person's reference groups consist of all the groups that have a direct face to face or indirect influence on his/her attitudes or behavior. Groups having a direct influence on a person are called membership group. Some membership groups are primary groups, such as family, friends, neighbors, and coworkers. (Kotler, & Kevin, 2006).

Individuals develop self-concepts and subsequent lifestyles based on a variety of internal and external influences. These self-concepts and life styles produce needs and desires many of which requires consumption decisions to satisfy. As individuals encounter relevant situations, the consumer decision process is activated. These process and the experience and acquisition it produces in turn influence the consumers' self-concept and lifestyle by affecting their internal and external characteristics. (Del I. Hawkins, David L. Mothersbaugh, Amit Mookerjee, 2015).

A consumer needs desires may trigger one or more levels of the consumer decision process. It is important to note that for most purchases, consumers devote very little effort to this process, and emotion and feeling often have as much or more influence on the outcome as do facts and products features. (Del et al, 2015).

Emotions are strong, relatively uncontrolled feeling that affect behavior. (Gopinath, Nyer, 1999). Emotions are strongly linked to needs, motivation, and personality. Unmet needs create motivation, which is related to the arousal component of emotion. Unmet needs generally yield negative emotions, while met needs generally yield positive emotions. As a result, products

and brands that generate positive consumption emotions increase consumer satisfaction and loyalty. (Phillips & Baumgartner, 2002).

A consumer's decision-making process includes five stages that the consumer goes through before the actual purchase. During these stages the consumer recognizes the need, gathers information, evaluates alternatives and makes the purchase decision. After the actual purchase comes post purchase behavior where the consumer evaluates the received satisfaction level. (Kotler, Armstrong, 2010), suggest that the consumer can skip a few stages during a routine purchase. However, when a consumer faces a new and complex purchase situation, all of these five stages need to be used to complete the buying process.

An individual's decisions are influenced by personal factors such as a buyer's age and life cycle state, occupation, economic situation, lifestyle, and personality and self-concept. Consumers' change during their life and buying of products alter depending on age and stage of life. Age related factors are such as taste in food, clothing, recreation and furniture. Moreover, environment, values, lifestyle, hobbies and consumer habits evolve during lifetime. Family life stages change purchasing behavior and brand selection. Traditionally a family life cycle included only young singles and married couples with children. Nowadays marketers are focusing on alternative, nontraditional stages such as unmarried couples, childless couples, same sex couples, single parents and singles marrying later in life. (Kotler, Armstrong, 2010). It can be assumed that consumers' taste can change during lifetime and has influence on coffee brand selection in different stages of life. A consumer's occupation and purchasing power influence purchasing decisions and buying behavior. The income level affects what consumers can afford and the perspective towards money. People, who share similar occupations, tend to have similar taste in music, clothing and leisure activities. They usually socialize with each other, and share the same kind of values and ideas. Income level effects on what consumer can afford and perspective towards money. (Solomon, 2004) Individuals from lower income groups are probably more interested in buying products that are necessary for survival than spending on luxury brands or designer clothes. Consumers' life style tells how the person lives and spends money. It is combined from earlier experiences, current situation and congenital characteristics. The product choices that consumers make are related to their lifestyle. An individual's lifestyle consists of different life style dimensions. (Khan, 2006) These dimensions are:

1. Activities describe how consumers spends their time, e.g. work, hobbies or vacations.
2. Interests are consumers' preferences and priorities e.g. family, home or food.

3. Opinions tell how consumers feel about different issues, e.g. themselves, politics or products. (Plummer, 1974), These life style dimensions express a person's pattern of living. Lifestyle will influence consumers' buying behavior and decisions. (Kotler, Armstrong, 2010) Personality distinguishes one person from another by individual traits. These personal traits can be self-confidence, adaptability, sociability and dominance. (Kotler, Armstrong, 2010), Personality determines how we see ourselves and the world around us as well as how other people see us. Attitudes, values and people around us shape our personality. Personality alters during life when a person grows up and changes surroundings. (Ray, 2006). Self-concept is a multi-dimensional and complex term. (Kardes et al. 2011) describes the self-concept as follows "Self-concept is often described as the totality of an individual's thoughts and feelings regarding him/herself as an object." In another words, it is the image that people hold about their selves formed by attitudes and beliefs. Many brands have developed an image and personality that correspond with consumers' values and traits. It allows consumers to express themselves through brand choices. (Kardes et al. 2011), There are five dimensions of brand personality: sincerity, excitement, competence, sophistication and ruggedness. Each of these dimensions includes different factors that relate to human personality dimensions.

2.2. Empirical review

Various studies focused on different factors that affect consumers brand preference. For instance, (Yang, He, Lee, 2007) used one factor which is social reference group and some others used two factor such as (Singh et al., 2012) used that celebrity endorsement and type of advertising media, (Adeole et al., 2005) used that types of advertising media and Age of consumers, as the two factors for the study purpose. Furthermore, (Vivekananthan, 2010) used those three factors such as information, communication, and comprehension. Several studies have shown this idea of situational influences proving that individuals prefer to drink different brands based on different occasions (Bearden and Etzel, 1982). For example, (Quester, Smart, 1998) used the purchase of a bottle of red wine for a drink during the week (alone or with one's family) over dinner, for a dinner party at a friend's house on a weekend (with 5 to 6 close friends), and as a gift for an employer or respected friend. (Orth, 2005) evaluated three different situations based on drinking red wine with the same scale from (Quester and Smart, 1998). (Miller and Ginter, 1979) explored situational impacts on brand choice with respect to fast food restaurants. The situation variations analyzed were lunch on a weekday, snack during a shopping trip, evening meal when rushed for time, and evening meal with the family when not

rushed for time. All of the studies involving situational factors demonstrated significance based on impacting brand choice. (Orth, 2005); (Miller and Ginter, 1979).

Researchers have examined the casual effects of brand related variables on brand choice. These variables include situational factors, consumer personality, social benefits, emotions, quality, brand credibility, product attributes, seasonality, and trends. The studies used within brand choice researches have involved experiments and surveys of key marketing variables to measure impact on brand choice. (Charlton and Ehrenberg, 1973); (Simonson et al. 1994); (Erdem and Swait, 2004); (Orth, 2005). (Woodside and Fleck Jr. 1979) conducted a qualitative study regarding brand choice of beer drinkers. The methodology for this study consisted of two in-depth personal interviews with two beer drinkers. The researchers concluded that involvement, normative, situational, and product attributes all influenced brand choice in the study. (Charlton and Ehrenberg, 1973) conducted an experiment with the product category of beer where variables manipulated were price, purchase time, purchase order, product name, and brand name. Another study was conducted (Orth, McDaniel, Shellhammer, and Lopetcharat, 2004) which examined craft beer preference and the relationship of brand benefits with consumer demographics. Brand benefits were considered to be significant drivers of consumer preferences in this product category. Brand benefits were shown to be an effective predictor in the product category of beer for brand choice.

2.2.1. Quality

(Calantone and Knight, 2000), says quality is significant on the performance of a product and the interaction of a product meeting or exceeding consumer expectations based on its performance is how quality is evaluated. (Choi, and Coughlan, 2006) assumes that product quality adds many benefits for a company. Product quality allows companies to charge higher prices to consumers. In addition, having a higher product quality gives a competitive advantage which leads to gains in profit margins and market share.

2.2.2. Price

(Osterberg, 1995) opinion that price is a major factor in determining brand choice. First, several studies have been conducted to determine the effect of price on alcohol consumption. Studies have found an Inverse relationship for sales and pricing. Second, the consumer wants the best

product at the test price. Therefore, a higher-priced Item will have more economic risk, but higher-priced goods are more visible to others socially.

2.2.3. Emotion

According to (Havan and Shaver, 1994) consumers can develop emotional feelings for products, specifically brands. These emotions toward brands can have a major influence based on brand choice. Research has shown that emotions lead to an interaction with the product on a personal level. (Thomson, MacInnis, Park, 2005). states that, emotions can lead to brand loyalty, paying premiums, and influencing others to purchase the brand. Therefore, a consumer's emotional attachment to a brand may be able to predict their commitment and willingness to make sacrifices to obtain it. Some basic ideals that are associated with this emotional involvement for brands are a positive brand attitude, high involvement in the product category, brand loyalty (willingness to pay a premium), affection, passion, connection, and the overall satisfaction associated from the brand.

2.2.4. Advertising

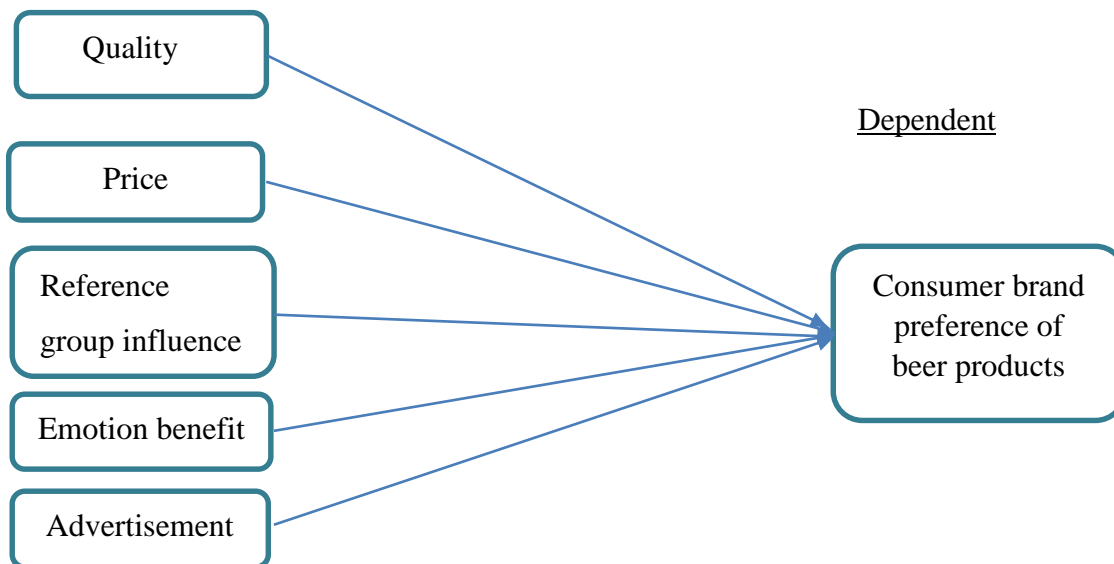
Advertising is a non-personal paid form where ideas, concept, products or services and information are promoted through media (visual, verbal and text) by an identified sponsor (Adeolu, Ayanwale, Taiwo, & Matthew, 2005). (Katke, 2007) (Mackenzie, 2004) stated that advertisements inform consumers about the existence and benefits of products and services, and to persuade consumers to buy them. Moreover, (Kotler et al, 2005) claim that advertising aim at attaining target consumers to either think or react to the product or brand. (Gossa, 2016) stated that among advertising media, TV advertising has high degree of influence than other media do, because of its sight, sound, and motion effect has impact on consumer's brand preference. Moreover, Celebrity endorsement has a positive effect on the perception of the respondents. All elements of messages of advertising do have significant impact on consumer's brand preference. As a method of achieving advertisement goals, advertisements as well as their content play a vital role in the process of commercial communication.

2.3. Conceptual framework

Based on the literature review, the following conceptual modal was formulated to depict the The factors affecting consumer's preference.

Figure 2.1. Conceptual framework

Independent



2.3.1. Independent/ Dependent variables

1. Quality/ Consumer brand preference of beer products.
2. Price / Consumer brand preference of beer products.
3. Reference group influence / Consumer brand preference of beer products.
4. Emotional benefit /Consumer brand preference of beer products.
5. Advertisement /Consumer brand preference of beer products.

CHAPTER-THREE

RESEARCH METHODOLOGY

This chapter consists of research design, instruments of data collection, source of data, study population and sample size, data analysis reliability analysis, validation and ethical consideration which will be discussed under.

3.1. Research Design

A research design is simply the frame work of the study. Quantitative research design was employed as a main research design for this study to the realization of intended objectives. The reason behind using quantitative research design is because the researcher is interested in describing the existing situation under study. (Creswell, 1994) stated that the descriptive method of research is a technique of gathering information about the present existing condition. This research design is a fact finding study with adequate and accurate interpretation of findings. This study also used explanatory research design to explain the relationship between variables.

3.2. Source of Data and Method of Data Collection

3.2.1. Population

A population is defined as the set of individuals, objects, or data from where a statistical sample can be drawn (Saunders *et al.*, 2014). Population is the entire group of individuals, events or objects having a common observable characteristic (Cooper & Schindler, 2014). Cooper and Schindler further add that a population is the total sum of collected units from which the researcher draws conclusions of the study.

The population for this study consisted of beer customers in Addis Ababa hotels. Adequate sample size for the study was drawn from this population using (Cochran,1977) sample formula.

3.2.2. Sample Size and Sampling Method

For populations that are large, (Cochran,1977) developed the formula to yield a representative sample for proportions [2]:

$$n = \frac{Z^2 p(1-p)}{e^2}$$

Where:

$p = 0.5$ (95%)

$q = 0.5$

$e = 0.05$ accepted margin of error

$z = 1.96$

n is sample size calculated=385

$$n = \frac{1.96^2 \times 0.5 \times 0.5}{0.05^2}$$

$$n = 384.16$$

which is valid where n is the sample size, Z^2 is the abscis-sa of the normal curve that cuts off an area at the tails ($1 - \alpha$ equals the desired confidence level, e.g., 95%), e is the desired level of precision, p is the estimated proportion of an attribute that is present in the population. The value for Z is found in statistical tables which contain the area under the normal curve; e is level of precision.

When the level of homogeneity among the population is high, the required sample size can be small and conversely when the nature of the population is more heterogeneous (less homogeneous), larger sample size is required (Israel, 1992). Accordingly considering the homogeneity nature of the target population of this study, the researcher distributed 220 questionnaires using convenience sampling technique for customers that are conveniently available in the hotels during data collection. From the distributed questionnaires 200 of them were returned with valid answers and used for the study.

3.2.3. Data collection instruments and procedure

Data was collected both form primary and secondary source. The major instrument for data collection was questionnaire. Secondary data was collected from publication. The questionnaire was hand delivered and collected after a few minutes from customers that are conveniently available in the hotels during data collection. Both open- ended and closed questions are used. The questions are clearly phase in order to make clear dimension along

with respondent to analyze. Open ended question space was provided for respondent to express their feeling. Closed ended questions are used to ensure that the given answers are relevant.

The secondary data has been collected through the academic journals, books and articles which have been written on the topic of consumer's brand preference. The researcher has considered those academic articles, books and journals which are focused on identifying the factors affecting brand preference because it helps to provide an idea that how factors affecting brand preference.

3.2.4. Questionnaires

In this study questionnaire are designed because questionnaires are extremely flexible and can be used to gather information on almost any topic involving large or small numbers of people. And also very cost effective, reduce bias and familiar to most people.

3.3. Method of Data Analysis

The collected data was changed and interpreted in to meaningful information, figure and statement. So it was analyzed, processed and interpreted according to the nature of data. Statistical Package for Social Science (SPSS) software version 23 was employed to analyze and present the data through the statistical tools used for this study, namely descriptive analysis, correlation and multiple regression analysis.

A. Descriptive analysis: The descriptive statistical results were presented by tables, frequency distributions and Percentages to give a condensed picture of the data. This was achieved through summary of statistics, which includes the means and standard deviations values which are computed for each variable in this study.

B. Pearson Correlation Analysis. used when there are two quantitative variables. The possible research hypotheses are that there is a positive linear relationship between the variables, a negative linear relationship between the variables, or no linear relationship between the variables in this study Pearson's correlation coefficient was used to determine the relationships between brand preference of beer products and its determinants (quality, price, reference group influence, emotional benefit, and advertisement).

C. Multiple Regression Analysis Multiple regression analysis was used to investigate the effect of quality, price, reference group influence, emotional benefit, and advertisement on brand preference of beer products.

3.4. Reliability and Validity test

As stated by (Hair, Joseph, Bush, and Ortinau, 2003). reliability indicates the extents to which some variables or set of variables is consistent in what it is intended to measure". (Siddiqi & Kazi, 2011). Reliability analysis used to measure the consistency of a questionnaire. There are different methods of reliability test, for this study Cronbach's alpha is considered to be suitable. Cronbach's alpha is the most common measure of reliability.

Before the questionnaires officially distributed a pre-trial reliability analysis was performed on 30 completed questionnaires to approximately adjust the questioner design.

For this study the Alpha coefficients for the dimensions and the overall scale calculated as a reliability indicator was presented in the following table. As described by, (Andy, 2006) the values of Cronbach's alpha more than 0.7 is good. The alpha values in this study were greater than 0.7 and had very good reliability for the questioners.

Table 3.1: Result of reliability analysis for the questionnaire

Dimensions	Number of attribute	Cronbach's alpha
Quality	6	0.709
Price	4	0.751
Reference group Influence	5	0.756
Emotion Benefit	7	0.756
Advertisement	4	0.701
Brand Preference	8	0.771
Overall	34	0.804

3.5. Ethical considerations

The researcher used the data from beer customers which was collected through questionnaire with the permission of the customers. To maintain the confidentiality of the information provided by the respondents, the respondents were instructed not to write their names on the

questionnaire and assured of that the responses would be used only for academic purpose and kept confidential. Brief description was given about the purpose of the study and the potential benefit. Respondents were included in the study based on their free will. Texts belonging to other authors that have been used in any part of this study have been fully referenced.

CHAPTER-FOUR

DATA PRESENTATION AND INTERPRETATION

INTRODUCTION

This chapter, present a discussion of the final results and the processes through which the results were obtained. In addition to this, background information of respondents is also presented. Finally, the statistical methods of analysis were discussed, which included correlation analysis, and multiple regression analysis with the help of SPSS version 23. The interpretation of the data is presented next to each summarized data.

4.1. Background information of Respondents

To find out general background of beer customers, the respondents were asked their sex, age, occupation, income and marginal status. The results obtained from the structured questionnaires are represented on the table below.

Table 4.1: Characteristic of the Respondents

Characteristics		Frequency	Percent	Valid Percent
Gender	Male	182	91.0	91.0
	Female	18	9.0	9.0
Total		200	100	100
Age	18-24	18	9.0	9.0
	25-34	72	36.0	36.0
	35-45	55	27.5	27.5
	> 45	55	27.5	27.5
Total		200	100	100
Occupation	Student	18	9.0	9.0
	Employed	126	63.0	63.0
	Self employed	56	28.0	28.0
Total		200	100	100
Income	< 1500 Birr	18	9.0	9.0
	3001 - 6000 Birr	72	36.0	36.0
	Over 6, 000 Birr	110	55.0	55.0
Total		200	100	100
Relationship	Single	73	36.5	36.5
	Married	127	63.5	63.5
Total		200	100	100

Source: own survey result (2017)

From 200 respondents 91.0% were male and 9.0% were female beer consumers. The results showed that, male had higher potential to consume beer than female. 9.0% of the respondents are between 18 to 24 years old whereas 36% were from 25 to 34 years old and 27.5 % were from 35 to 45 years and the remaining 27.5% were above 45 years old. The data shows that most of the respondents which were 63.5% of the sample were married. On the other hand, 36.5% of the sample were single.

Table 4.2: Demographic Information Respondent Beer Consumption Characteristics

		Frequency	Percent	Valid Percent
How often do you drink Beer	Occasionally	127	63.5	63.5
	Regularly	73	36.5	36.5
Total		200	100	100
How much Beer Consumed	1-2 Bottle	72	36.0	36.0
	> 2 Bottle	128	64.0	64.0
Total		200	100	100
Drink Beer usually	In the Party/with friends	126	63.0	63.0
	In sad moments	18	9.0	9.0
	No reason	56	28.0	28.0
Total		200	100	100
Like to Consume the Beer	Home	18	9.0	9.0
	Bar/Pubs	127	63.5	63.5
	Restaurant	55	27.5	27.5
Total		200	100	100
How long you consuming current Beer	0 to 1 year	18	9.0	9.0
	1 to 3 Years	54	27.0	27.0
	3 to 5 Years	36	18.0	18.0
	> 5 Years	92	46.0	46.0
Total		200	100	100

Source: own survey result (2017)

From the 200 respondents 63.5% drink beer occasionally and the rest 36.5% are regular beer drinkers. 36% were drink 1-2 bottles of beer and the rest 64% drink more than 2 bottles. 63.3% of the respondent drinks beer in the party or with friends and 9% drink beer in sad moments and other 28% drink beer with no reason. 9% of the respondent drink beer at home and 63.5% of the respondent drink beer in bar or pubs. 27.5 % of the respondent drink beer at restaurants and 9% were drink beer for about one year and 27 % were drink beer for three years also 18 %

of the respondents were drink beer three to five years and 46 % were drink beer more than five years.

4.2. Analysis of data

The collected data was tabulated according to the similarity and quantitative data were analyzed and interpreted with the help of statistical package for social science(SPSS). Correlation and descriptive analysis and regression were used. Regression used to check the relationship between the dependent and independent variables.

4.3. Frequency of respondents on variables

Table 4.3: Mean and S.D for quality

Statements	Mean	S. Dev	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total
The product has consistent quality	3.54	0.79	0(0.0)	37(18.5)	18(9.0)	145(72.5)	0(0.0)	200
The product is well made	3.82	0.72	0(0.0)	0(0.0)	73(36.5)	90(45.0)	37(18.5)	200
The product has an acceptable standard of quality.	3.55	0.50	0(0.0)	0(0.0)	90(45.0)	110(55.0)	0(0.0)	200
The product has good craftsmanship	3.54	0.90	0(0.0)	37(18.5)	36(18.0)	109(54.5)	18(9.0)	200
The product would perform consistently	3.91	0.67	0(0.0)	0(0.0)	54(27.0)	110(55.0)	36(18.0)	200

Quality is the most determinate factor affects you while purchasing Beer?	3.91	0.67	0(0.0)	0(0.0)	54(27.0)	110(55.0)	36(18.0)	200
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Source: own survey result (2017)

4.3.1. Quality

This section describes the quality regarding to consistent quality, it is well made, it has an acceptable standard of quality, it has good craftsmanship, it would perform consistently, Quality is the most determinate factor affects you while purchasing Beer? majority of the respondents 72.5%, 45.0%,55.0%,54.5%,55.0% and 55.0% were agreed on it has consistent quality, it is well made, it has an acceptable standard of quality, it has good craftsmanship, it would perform consistently and quality is the most determinate factor affects you while purchasing Beer.

Table 4.4: mean and S.D for price

Statements	Mean	S. Dev	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total
It is reasonably priced	3.10	0.90	0(0.0)	72(36.0)	36(18.0)	92(46.0)	0(0.0)	200
It offers value for money	3.19	0.84	0(0.0)	54(27.0)	54(27.0)	92(46.0)	0(0.0)	200
It is a good product for the price	2.83	1.03	18(9.0)	72(36.0)	37(18.5)	73(36.5)	0(0.0)	200
It is economical	3.27	1.05	0(0.0)	73(36.5)	18(9.0)	91(45.5)	18(9.0)	200

Source: own survey result (2017)

4.3.2. Price

This section describes the price regarding to it is reasonably priced, it offers value for money, it is a good product for the price and it is economical. Majority of the respondents 46%, 46%, 36.5%, 45.5% of the respondents were agreed on following it is reasonably priced it offers value for money, it is a good product for the price and it is economical respectively.

Table 4.5: Reference group influence

Statements	Mean	S. Dev	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total
I use the brand which my friends recognize	3.18	0.94	0(0.0)	73(36.5)	18(9.0)	109(54.5)	0(0.0)	200
I use the brand which my friends recognize	2.37	0.64	0(0.0)	145(72.5)	37(18.5)	18(9.0)	0(0.0)	200
Neighbors recommendation is very important when you purchase beer?	2.28	0.86	36(18.0)	91(45.5)	55(27.5)	18(9.0)	0(0.0)	200
Friends recommendation is very important when you purchase beer?	3.10	0.90	0(0.0)	72(36.0)	36(18.0)	92(46.0)	0(0.0)	200
Family recommendation is very important when you purchase beer?	2.64	1.07	36(18.0)	55(27.5)	54(27.0)	55(27.5)	0(0.0)	200

Source: own survey result (2017)

4.3.3. Reference group influence

This section describes the reference group influence regarding I use the brand which my friends recognize, I use the brand which my friends recognize were agreed with 54.5% of the respondent. friend's recommendation is very important when you purchase beer? were agreed with 46.0% of the respondents. I use the brand which my friends recognize, were disagreed by 725% of the respondents. Neighbors recommendation is very important when you purchase beer? were disagreed with 45.5% of the respondents. 27.5% of the respondents were disagreed family recommendation is very important when you purchase beer and 27.5% of the respondents agreed on family recommendation is very important when you purchase beer respectively.

Table 4.6: Emotion Benefit

Statements	Mean	S. Dev	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total
Beer makes me enjoy	3.82	0.39	0(0.0)	0(0.0)	37(18.5)	163(81.5)	0(0.0)	200
Beer makes me feel good	4.01	0.43	0(0.0)	0(0.0)	18(9.0)	163(81.5)	19(9.5)	200
Beer makes you relaxed	4.28	0.86	0(0.0)	18(9.0)	0(0.0)	91(45.5)	91(45.5)	200
Beer helps me feel acceptable	3.55	0.78	0(0.0)	18(9.0)	73(36.5)	91(45.5)	18(9.0)	200
Beer avoided discomfort	3.55	0.78	0(0.0)	18(9.0)	73(36.5)	91(45.5)	18(9.0)	200
Beer improves the way I am perceived by others	2.90	0.91	19(9.5)	36(18.0)	91(45.5)	54(27.0)	0(0.0)	200
Beer makes a good impression on other people	3.35	1.16	19(9.5)	18(9.0)	73(36.5)	54(27.0)	36(18.0)	200

Source: own survey result (2017)

4.3.4. Emotion Benefit

This section describes the emotion benefit regarding to beer makes me enjoy, beer makes me feel good, beer makes you relaxed, beer helps me feel acceptable were agreed by 81.5%, 81.5%, 45.5%, 45.5%, 45.5% of the respondents accordingly and beer improves the way I am perceived by others, beer makes a good impression on other people were answer neutral by 45.5% and 36.5% of the respondents.

Table 4.7: Advertisement

Statements	Mean	Std. Deviation	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total
Beer advertisement create image on my mind	3.64	0.64	0(0.0)	18(9.0)	37(18.5)	145(72.5)	0(0.0)	200
Beer advertisement is attractive to me	3.90	0.67	0(0.0)	0(0.0)	56(28.0)	108(54.0)	36(18.0)	200
Easy to understand the message of advertisement	3.55	0.78	0(0.0)	18(9.0)	72(36.0)	92(46.0)	18(9.0)	200
Beer advertisement makes a good impression on other people	3.73	0.76	0(0.0)	19(9.5)	36(18.0)	126(63.0)	19(9.5)	200

Source: own survey result (2017)

4.3.5. Advertisement

This section describes the advertisement regarding beer advertisement create image on my mind, beer advertisement is attractive to me, easy to understand the message of advertisement. Majority of the respondents 72.5%, 54%, 46%, and 63% were agreed on beer advertisement create image on my mind, beer advertisement is attractive to me, easy to understand the message of advertisement. So advertisement has an effect on consumer's brand preference of beer products.

Table 4.8: Brand preference of beer products

Statement	Mean	Std. Deviation	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total
I choose beer brand based on the brand's reputation	3.73	0.62	0(0.0)	18(9.0)	18(9.0)	164(82.0)	0(0.0)	200
I really love the brand	3.73	0.62	0(0.0)	0(0.0)	73(36.5)	109(54.5)	18(9.0)	200
The brand is special to me	3.46	0.89	0(0.0)	36(18.0)	55(27.5)	91(45.5)	18(9.0)	200
I am very familiar with the beer brand	3.64	0.48	0(0.0)	0(0.0)	72(36.0)	128(64.0)	0(0.0)	200
I choose beer brand based on the brand's trustworthiness.	3.38	0.78	0(0.0)	18(9.0)	108(54.0)	55(27.5)	19(9.5)	200
I say positive things about the	3.73	0.62	0(0.0)	0(0.0)	73(36.5)	109(54.5)	18(9.0)	200

brand to other people								
The brand gives me sense of belongingness	3.37	0.64	0(0.0)	0(0.0)	145(72.5)	37(18.5)	18(9.0)	200
This is a brand used by people like me	3.28	0.96	0(0.0)	54(27.0)	55(27.0)	73(36.5)	18(9.0)	200

Source: own survey result (2017)

4.3.6. Brand preference of beer products

This section describes the brand preference regarding I choose beer brand based on the brand's reputation, I really love this brand, this brand is special to me, I am very familiar with beer brand, I say positive things about this brand to other people, this is a brand used by people like me. Majority of the respondents 82.0%, 54.5%, 45.5%, 64.0%, 54.5%, 36.5% were agreed on I choose beer brand based on the brand's reputation, I really love this brand, this brand is special to me, I am very familiar with beer brand, I say positive things about this brand to other people, this is a brand used by people like me. 54.0% of the respondent were neutral on I choose beer brand based on the brand's trust worthiness and 72.5% of the respondent were also neutral for this brand gives me sense of belongingness.

4.4. Descriptive statistics

4.4.1. Correlation Analysis

This study employs correlation analysis, which investigates the strength of the relationships between the studied variables. Pearson correlation analysis was used to provide evidence of convergent validity. Pearson correlation coefficients reveal magnitude and direction of relationships (either positive or negative) and the intensity of the relationship (-1.0 + 1.0). Correlations are perhaps the most basic and most useful measure of association between two or more variables, (Geoffrey, Marczyk, De Matteo, & Festinger. 2005).

4.4.2. Pearson Correlation analysis

According to (Shukran, 2003), the relationship is expressed by value within the range -1.00 to + 1.00 as Pearson product–moment indicates. Pearson correlation is +1 in the case of a perfect increasing (positive) linear relationship (correlation), -1 and 1 in all other case indicating the degree of liner dependency between variable. To determine the relationship between brand preference of beer products and its determinants (Quality, Price, Reference group influence, Emotional Benefit, and advertisement), Pearson correlation was computed. Table 4.9, presents the results of Pearson correlation on the relationship between Brand preference of beer products and its determinants.

Table 4.9: Correlations results of Brand Preference of beer Products and It’s determinants

	Brand Preference	Quality	Price	Reference group Influence	Emotion Benefit	Advertisement
Brand Preference	1					
Quality	.744**	1				
	.000					
Price	.283**	.345**	1			
	.000	.000				
Reference group Influence	-.141*	-.316**	.200**	1		
	.047	.000	.005			
Emotion Benefit	.675**	.545**	.420**	.036	1	
	.000	.000	.000	.608		
Advertisement	.470**	.100	-.440**	-.101	.272**	1
	.000	.160	.000	.155	.000	

** . Correlation is significant at the 0.01 level.

* . Correlation is significant at the 0.05 level.

Source: SPSS Correlation result output, 2017

According to the Table 4.8, there were significant positive relationship between Brand preference of beer products and its determinants (Quality, Price, Emotional Benefit, and advertisement) But Reference group Influence had a little bit significant and negative correlation to Brand preference of beer. Moreover, Quality had significant correlation to price of the beer, reference group influence and emotion benefit. In addition to this Price had significant correlation to reference group influence, emotion benefit, and advertisement). Reference group had no any significant correlation to emotion benefit and advertisement. The

highest correlation is between brand preference and quality of the beer (0.744) followed by brand preference and emotions benefit (0.675), and brand preference and advertisement (0.470). The lowest correlation between brand preference and reference group Influence (-0.141). In general, relationship between Brand preference of beer products and its determinants were positive with Quality, Price, Emotional Benefit, and advertisement. The most important determinants of beer preference were quality, Emotional Benefit, and advertisement, followed by price of the beer. This indicates Quality, Price, Emotional Benefit, and advertisement had significant effect on brand preference of beer products.

4.4.3. Multiple Regression Analysis

Multiple regressions are the most common and widely used to analyze the relationship between a single continues dependent variable and multiple continues on categorical independent variable (George et al., 2003). In this study multiple regression analysis was employed to examine the effect of quality of beer, price of the beer, reference group influence, emotional benefit, and advertisement about the beer on brand preference of beer products.

The following table presents the results of multiple regressions analysis. Here the squared multiple correlation coefficients (R²) which tells the level of variance in the dependent variable (Brand preference of beer products) that is explained by the model.

Table 4.10: Model Summary

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.891a	.795	.789	.20386

a. Predictors: (Constant), Advertisement, Quality, Reference group Influence, Emotion Benefit, Price

Source: SPSS Regression results output, 2017

The results of multiple regressions, as presented in table 4.10, above, revealed that of quality of beer, price of the beer, reference group influence, emotional benefit, and advertisement about the beer significant influence on brand preference of beer products. The adjusted R² of 0.789 indicates 78.9% of the variance in Brand preference of beer products can be predicted by the Quality of beer, Price of the beer, Reference group influence, Emotional Benefit, and

advertisement about the beer. The remaining 21.1% of the variation of brand preference of the beer products that can be explained by other variables.

Table 4.11. ANOVA

ANOVA						
Model	Sum of Squares	Df	Mean Square	F	Sig.	
1	Regression	31.175	5	6.235	150.029	.000b
	Residual	8.062	194	.042		
	Total	39.237	199			

a. Dependent Variable: Brand Preference

b. Predictors: (Constant), Advertisement, Quality, Reference group Influence, Emotion Benefit, Price

ANOVA Table

From the ANOVA table 4.11. shows that accepting at least one of the effect of quality of beer, price of the beer, reference group influence, emotional benefit, and advertisement about the beer on brand preference of beer products, since the p-value for F-Statistics (0.000) less than the significance level 0.05. Therefore the overall regression model is significant. Which is the independent variable have significance on the dependent variable

Table 4.12. Regression results of variables

Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	-1.419	.220		-6.444	.000
	Quality	.576	.047	.541	12.296	.000
	Price	.194	.039	.245	5.039	.000
	Reference group Influence	.019	.028	.025	.680	.497
	Emotion Benefit	.122	.040	.144	3.047	.003
	Advertisement	.456	.041	.487	11.113	.000

a. Dependent Variable: Brand Preference

SPSS Regression results output, 2017

Coefficients

Based on the table 4.12, show the unstandardized beta coefficient, which tell us the unique contribution of each factor to the model. A high beta value and a small p value (<0.05) indicate the predictor variable has made a significance statistical contribution to the model. On the other hand, a small beta value and a high p value ($p >0.05$) indicate the predictor variable has little or no significant contribution to the model. (Ggorge et al., 2003). Table 4.13, also indicates that quality of the beer, price of the beer, advertisement of the beer, and emotion benefit had significant influence on customer's brand preference at 95% confidence level, since their p-values (0.000 for price, quality, advertisement and 0.003 for emotion benefit) less than the significance level 0.05. But reference group influence had no any significant influence for brand preference of beer products since their p-value 0.497 greater than the significance level 0.05. The significant and insignificance brand preference of beer products factors have been included for the establishment of the function.

Brand Preference = $-1.419 + 0.576 \text{ Quality} + 0.194 \text{ Price} + 0.019 \text{ Reference group Influence} + 0.122 \text{ Emotion Benefit} + 0.456 \text{ Advertisement}$

Table 4.13: Summary of the overall outcome of the Research Hypothesis

Hypotheses	Result	Reason
Hypothesis 1: Quality of the beer has no positive and significant effect on brand preference of beer products.	Rejecting	$\beta = 0.576, p < 0.05$
Hypothesis 2: Price of the beer has no positive and significant effect on brand preference of beer products.	Rejecting	$\beta = 0.194, p < 0.05$
Hypothesis 3: Reference group influence has no positive and significant effect on brand preference of beer products.	Accepting	$\beta = 0.019, p > 0.05$
Hypothesis 4: Emotion benefit has no positive and significant effect on brand preference of beer products.	Rejecting	$\beta = 0.122, p < 0.05$
Hypothesis 5: Advertisement has no positive and significant effect on brand preference of beer products.	Rejecting	$\beta = 0.456, p < 0.05$

4.4.4. Hypothesis testing

Hypothesis testing is based on standardized coefficients beta and P-value to test whether the hypotheses are rejected or not.

Hypothesis 1: Quality of the beer would have a positive and significant effect on brand preference of beer products.

The results of multiple regressions, as presented in table 4.12 above, revealed that quality of the beer had a positive and significant effect on Brand preference of beer products with a beta value (Beta = 0.576), at 95% confidence level ($p < 0.05$). the beta value (0.576) shows as one-unit increase in quality there will be 57.6% increase on brand preference of beer products. Therefore, the researcher may be accepting the hypothesis, this indicates that quality of the beer has a positive and significant effect on brand preference.

Hypothesis 2: Price of the beer would have a positive and significant effect on Brand preference of beer products.

The results of multiple regressions, as presented in table 4.12 above, revealed that price of the beer had a positive and significant effect on Brand preference of beer products with a beta value (Beta = 0.194), at 95% confidence level ($p < 0.05$). the beta value (0.194) shows as one-unit increase in price there will be 19.4% increase on brand preference of beer products. Therefore, the researcher may be accepting the hypothesis, this indicates that price of the beer has a positive and significant effect on brand preference.

Hypothesis 3: Reference group influence would have a positive and significant effect on brand preference of beer products.

The results of multiple regressions, as presented in table 4.12 above, revealed that reference group influence of the beer had insignificant effect on brand preference of beer products with a beta value (Beta = 0.019), at 95% confidence level ($p > 0.05$). even if, reference group influence had no significant effect on brand preference, the beta value (0.019) shows as one-unit increase in reference group influence there will be 1.9% increase on brand preference of beer products. Therefore, the researcher may be rejecting the hypothesis, this indicates that reference group influence had insignificant effect on brand preference.

Hypothesis 4: Emotion benefit would have a positive and significant effect on Brand preference of beer products.

The results of multiple regressions, as presented in table 4.12 above, revealed that emotion benefit of the beer had a positive and significant effect on Brand preference of beer products with a beta value (Beta = 0.112), at 95% confidence level ($p < 0.05$). The beta value (0.112) shows as one-unit increase in emotion benefit there will be 11.2% increase on brand preference of beer products. Therefore, the researcher may be accepting the hypothesis, this indicates that emotion benefit of the beer had a positive and significant effect on brand preference.

Hypothesis 5: Advertisement of the beer would have a positive and significant effect on Brand preference of beer products.

The results of multiple regressions, as presented in table 4.12 above, revealed that advertisement of the beer had a positive and significant effect on Brand preference of beer products with a beta value (Beta = 0.456), at 95% confidence level ($p < 0.05$). The beta value (0.456) shows as one-unit increase in the advertisement of the beer there will be 45.6% increase on brand preference of beer products. Therefore, the researcher may be accepting the hypothesis, this indicates that advertisement of the beer had a positive and significant effect on brand preference.

In overall, the results revealed that all independent variables accounted for 79.5% of the variation in brand preference of beer products ($R^2 = 0.795$). Thus, 79.5% of the variation in brand preference of beer products could be explained by the quality of beer, price of the beer, reference group influence, emotional benefit, and advertisement and the remaining explained by other variables, shown in table 4.10.

All the five hypothesis are summarized on the Table 4.14.

CHAPTER-FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

This chapter deals with the summary of findings, conclusions drawn from the findings and the recommendations forwarded from the researcher.

5.1. Summary of Finding

From 200 respondents 182 respondents or (91.0%) of sample were male and 18(9.0%) percent of the respondents were female. The results showed that, male had higher potential to consume beer than female.

There is significant and positive relationship between brand preference of beer products and its determinants (quality, price, emotional benefit, and advertisement) but reference group influence had a little bit significant and negative correlation to brand preference of beer. moreover, quality had significant correlation to price of the beer, reference group influence and emotion benefit. In addition to this price had significant correlation to reference group influence, emotion benefit, and advertisement. reference group had no any significant correlation to emotion benefit and advertisement. the highest correlation is between brand preference and quality of the beer (0.744) followed by brand preference and emotions benefit (0.675), brand preference and advertisement (0.470). the lowest correlation between brand preference and reference group influence (-0.141). in general, relationship between brand preference of beer products and its determinants were positive with quality, price, emotional benefit, and advertisement. the most important determinants of beer preference were quality, emotional benefit, and advertisement, followed by price of the beer. this indicates quality, emotional benefit, and advertisement had significant effect on brand preference of beer products.

5.2. Conclusion

This paper has investigated and presented the factors affecting brand preference of beer products in Addis Ababa selected hotels beer customers. In this sense quality, price, emotion and advertisement were underlined as predictor variables in consumers' brand preference of beer. The result indicates that among the determinant factors of beer brand preference the most important determinants of beer preference were quality, emotional benefit, and advertisement, followed by price of the beer. marketing strategy.

- From 200 respondents 91.0% were male and 9.0% percent of the respondents were female. The results showed that, male had higher potential to consume beer than female.
- The adjusted R2 of 0.789 indicates 78.9% of the variance in brand preference of beer products can be predicted by the quality of beer, price of the beer, reference group influence, emotional benefit, and advertisement about the beer. The remaining 21.1% of the variation of brand preference of the beer products that can be explained by other variables.
- The result indicates that among the determinant factors of beer brand preference the most important determinants of beer preference were quality, emotional benefit, and advertisement, followed by price of the beer.
- There is significant and positive relationship between brand preference of beer products and its determinants quality, price, emotional benefit, and advertisement.

5.3. Recommendation

From the above conclusion it is recommended that the beer industry managers should focus on the following issues.

- To focus on these most determinant factors of brand preference of beer products
- To adjust their marketing strategies according to the most determinant factors of brand preference of beer products
- To focus on the quality of beer products.

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Questionnaire

The purpose of this study is to determine factors affecting consumers brand preference of beer products of selected Hotels operating in Addis. Please read each question carefully and answer each question to the best of your ability, where necessary check [√] the boxes provided. There are no correct or incorrect responses; your answers are crucial to the study.

Please Note: all responses to this survey are completely confidential.

Thank you for your participation in this study

1. Demographic Information

1. What is your gender? Male Female

2. How old are you? 18-24 25-34 35- 45 >45

3. What is your occupation?
Student Employed Unemployed Self employed

4. What is your income level per month?
<1500 Birr 1501 – 3000Birr 3001- 6000Birr Over 6,000Birr

5. Relationship status?
Single Married Divorced/widowed/Separated

6. Did you drink beer?
Yes No

7. How often do you drink Beer?
Occasionally Regularly

8. How much Beer is consumed by you within one time?
1Bottle 1-2Bottle >2Bottle

9. You drink Beer usually when you are
In the Party/with friends In sad moment In Happy No reason

10. You like to consume the Beer at
Home Bar/Pubs Restaurant Open Space

11. How long have you been consuming your current beer brand?
0 to 1 year More than 1 year to 3 years More than 3 years to 5 years
More than 5 years

Please indicate the extent of your agreement with the following statements about your favorite beer brand. Please tick only one in each statement.

I. Quality	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
The product has consistent quality					
The product is well made					
The product has an acceptable standard of quality.					
The product has good craftsmanship					
The product would perform consistently					
The brand that would last long time among other brands.					
Do you agree that quality is the most determinate factor affects you while purchasing Beer?					
II. Price					
The product is reasonably priced					
The product is good for the price					
Economical					
Do you agree that price is the most determinate factor affects you while purchasing Beer?					
III. Reference group influence					
I use the brand which my friends recognize					
I use the brand which my families recognize					
Neighbors recommendation is very important when you purchase beer?					

Friends recommendation is very important when you purchase beer?					
Family recommendation is very important when you purchase beer?					
IV. Emotion Benefit					
Beer makes me enjoy					
Beer makes me feel-good					
Beer makes me relaxed					
Beer helps me feel acceptable					
Beer avoided discomfort					
Beer improves the way I am perceived by others					
Beer makes a good impression on other people					
V. Advertisement					
Beer create image on my mind					
Beer is attractive to me					
It is easy to understand the message of advertisement					
Do you agree that advertisement is the most determinate factor affects you while purchasing Beer?					
2.Brand preference of beer products					
I choose beer brand based on the brand's reputation					
I really love this brand					
The brand is special to me					
I am very familiar with beer brand					
I choose beer brand based on the brand's trustworthiness.					
I say positive things about the brand to other people					
This brand gives me sense of belongingness					

This is a brand used by people like me					
--	--	--	--	--	--

Any comments on unmentioned issues

Thank you very much for your kind co-operation

DECLARATION

I, the undersigned, declare that this thesis is my original work, prepared under the guidance of _____, All sources of materials used for the thesis have been duly acknowledged, I further confirm that the thesis has not been submitted either in part or in full to any other higher learning institution for the purpose of earning any degree.

Name

St Mary's University, Addis Ababa

Signature

January, 2018

ENDORSEMENT

This thesis has been submitted to St. Mary's University College, School of Graduate Studies for examination with my approval as a university advisor.

Advisor

St. Mary's University Collage, Addis Ababa

Signature

Date of submission: January 2018