

# ST. MARY'S UNIVERSITY SCHOOL OF GRADUATE STUDIES DEPARTMENT OF MARKETING MANAGEMENT

# FACTORS THAT AFFECT BEER BRAND PREFERENCE OF ADDIS ABAB'S CITY CONSUMERS

# BY: LAKUMELZA SOLOMON

# A THESIS SUBMITTED TO ST. MARY'S UNIVERSITY SCHOOL OF GRADUATE STUDIES IN PARTIAL FULLFILLMENT OF THE REQUIREMENTS FOR THE DEGREE OF MASTER OF ARTS IN MARKETING MANAGEMENT

JUNE, 2019 ADDIS ABABA, ETHIOPIA

# FACTORS THAT AFFECT BEER BRAND PREFERENCE OF ADDIS ABAB'S CITY CONSUMERS

**BY: LAKUMELZA SOLOMON** 

# A THESIS SUBMITTED TO ST. MARY'S UNIVERSITY SCHOOL OF GRADUATE STUDIES IN PARTIAL FULLFILLMENT OF THE REQUIREMENTS FOR THE DEGREE OF MASTER OF ARTS IN MARKETING MANAGEMENT

JUNE, 2019 ADDIS ABABA, ETHIOPIA

# ST. MARY'S UNIVERSITY SCHOOL OF GRADUATE STUDIES DEPARTMENT OF MARKETING MANAGEMENT

# FACTORS THAT AFFECT BEER BRAND PREFERENCE OF ADDIS ABAB'S CITY CONSUMERS

BY

# LAKUMELZA SOLOMON

# **APPROVED BY BOARD OF EXAMINERS**

**Dean, Graduate Studies** 

Advisor

**External Examiner** 

**Internal Examiner** 

Signature

Signature

Signature

Signature

## DECLARATION

I, the undersigned, declare that this thesis is my original work, prepared under the guidance of  $\underline{Dr}$ <u>Gashaw Tibebe</u>. 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 institution for the purpose of earning any degree.

Lakumelza Solomon\_

Name

Signature

St. Mary's University, Addis Ababa

June, 2019

# ENDORSEMENT

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

Gashaw Tibebe (PhD)

Advisor

Signature

St. Mary's University, Addis Ababa

June, 2019

# Acknowledgments

First of all, I would like to thank my Lord for helping me from beginning to the end. And also I would like to give my deep and heartfelt thanks to my Advisor Gashaw Tibebe (PhD) who has contributed more than a lot for the accomplishment this thesis.

My special thanks also go to my beloved families and my friend Habtamu Mekonnen who inspired me a lot to accomplish this study.

#### ABSTRACT

Beer consumers' brand preference is influenced by a range of factors in the market. But factors affecting consumers' decisions towards a specific beer brand is not well understood. The objective of this study was to assess the factors influencing consumer's beer brand preference in Addis Ababa city, Ethiopia. The variables included in this study are quality, price, emotion, family and friends, advertisement, Place of origin, Corporate Social Responsibility as independent variables and customer's beer brand preference as dependent variable. Both primary and secondary data were used in this research. As methods of collecting primary data, a structured five point Likert scale questionnaire was employed and data was collected from 374 respondents in Addis Ababa City, Ethiopia. For secondary data, any authorized sources including company annual reports, books, articles, journals, magazines and others were used. The research has used both descriptive and inferential statistics. Frequency & percentage were used to describe demographic characteristics and Means, standard deviations to analyze factors influencing brand preference. Correlation and multiple linear regressions were also employed to analyze the relationship between the dependent variable and the independent variables. The model summary reveals that the proportion of the variation in consumers brand preference, explained by the factors jointly is 67.8 %. The remaining 32.8 % of the variance is explained by other variables not included in this study. Advertisement is the best predictor of consumers brand choices. This is followed by quality, emotional benefit, family and friends influence with respectively. Hence, it may be concluded that, the null hypothesis is rejected; so, the explanatory variables may significantly explain for consumers brand preference. The findings and recommendations of this study might assist marketers to look at the determinants of brand preference among their consumers which in turn would help them to evaluates and reshape their marketing strategies.

*Key words: Quality, Price, Emotion, Family and Friends, Advertisement, Brand Preference, Place of origin, Corporate Social Responsibility* 

# Table of Contents

CHAPTER ONE1
INTRODUCTION1
1. 1 Background of the study1
1.2. Statement of the problem2
1.3 Research Questions4
1.4. Objectives of the study
General objective:
Specific Research objectives (SRO)4
1.5 Hypothesis
1.6. Significance of the study5
1.6 Scope of the study5
CHAPTER TWO
REVIEW OF RELATED LITERATURE
2.1 Theoretical Literature Review
Factors influencing consumer behavior6
2.2 Related Documents and Previous Researches (Empirical Review)14
2.3 Conceptual Framework18
CHAPTER THREE
CHAPTER THREE
CHAPTER THREE
CHAPTER THREE
CHAPTER THREE19RESEARCH METHODOLOGY193.1. Research Approach & Design193.2. Study area193.3. Instrument of data collection20
CHAPTER THREE19RESEARCH METHODOLOGY193.1. Research Approach & Design193.2. Study area193.3. Instrument of data collection203.4. Source of data21
CHAPTER THREE19RESEARCH METHODOLOGY193.1. Research Approach & Design193.2. Study area193.3. Instrument of data collection203.4. Source of data213.4.1 Primary data:21
CHAPTER THREE19RESEARCH METHODOLOGY193.1. Research Approach & Design193.2. Study area193.3. Instrument of data collection203.4. Source of data213.4.1 Primary data:213.4.2 Secondary data21
CHAPTER THREE19RESEARCH METHODOLOGY193.1. Research Approach & Design193.2. Study area193.3. Instrument of data collection203.4. Source of data213.4.1 Primary data:213.4.2 Secondary data213.5. Study population21
CHAPTER THREE19RESEARCH METHODOLOGY193.1. Research Approach & Design193.2. Study area193.3. Instrument of data collection203.4. Source of data213.4.1 Primary data:213.4.2 Secondary data213.5. Study population213.6. Sampling technique and sample size22
CHAPTER THREE19RESEARCH METHODOLOGY193.1. Research Approach & Design193.2. Study area193.3. Instrument of data collection203.4. Source of data213.4.1 Primary data:213.4.2 Secondary data213.5. Study population213.6. Sampling technique and sample size223. 7. Plan of Data Analysis and Presentation23
CHAPTER THREE19RESEARCH METHODOLOGY193.1. Research Approach & Design193.2. Study area193.3. Instrument of data collection203.4. Source of data213.4.1 Primary data:213.4.2 Secondary data213.5. Study population213.6. Sampling technique and sample size223.7. Plan of Data Analysis and Presentation233.8 Reliability analysis23
CHAPTER THREE19RESEARCH METHODOLOGY193.1. Research Approach & Design193.2. Study area193.3. Instrument of data collection203.4. Source of data213.4.1 Primary data:213.4.2 Secondary data213.5. Study population213.6. Sampling technique and sample size223. 7. Plan of Data Analysis and Presentation233.9. Validity analysis24
CHAPTER THREE19RESEARCH METHODOLOGY193.1. Research Approach & Design193.2. Study area193.3. Instrument of data collection203.4. Source of data213.4.1 Primary data:213.4.2 Secondary data213.5. Study population213.6. Sampling technique and sample size223. 7. Plan of Data Analysis and Presentation233.8 Reliability analysis233.9. Validity analysis243.10 Ethical considerations24

RESULT AND DISCUSSION	25
4.1. Introduction	25
4.2 Background Information and Analysis	26
4.2.1 Gender	26
4.2.2 Age	26
(Computed from 2018/19 Survey Data)	27
4.2.3 Marital Status	27
4.2.4 Occupation Status	
4.2.5 Monthly Income	29
4.2.6 Beer Brand Preference	29
4.3 Factors affecting Beer Brand preference	
4.3.1 Quality	
4.3.2 Price	
4.3.3 Family or Friends	
4.3.4 Emotional benefit	
4.3.5 Advertisement	
4.3.6 Place of origin	
4.3.7 Corporate of societal responsibility	
4.4 Factor analysis	
4.5.1 Results of measures of central tendency and dispersion	
4.5.2 Multiple Regressions	
4.5.3 Pearson Correlation Analysis	41
4.6 Discussion	
CHAPTER FIVE	45
CONCLUSION, RECOMMENDATION, LIMITATION AND DIRECTION OF FUTURE RESEARCH	45
5.1 Conclusion	45
5.2 Recommendation	
5.3 Limitation of study	
5.4 Directions for Future Researches	
5.5 Summary of Hypothesis	
References	
Appendix I. Research questionnaires English version	54
Appendex II. research questionniers Amharic version	

# List of Tables

37
25
28
29
30
30
31
32
32
33
33
35
37
38
39
41

# List of Figures

Figure 4.1 Background Information and Analysis	25
Figure 4.2 Background Information, Marital Status	26
Figure 4.3 Background Information, Occupation Status	27
Figure 4.4 Beer Brand Preference	29

# CHAPTER ONE INTRODUCTION

#### 1. 1 Background of the study

The arbitrary marketing experiences of people throughout the world indicate the fact that consumers seems to have particular brand preferences irrespective of price and quality similarities (cited in Bronnenberg *et al* 2010: 1). According to Ali (2014), brand manufacturers, thus, are facing a stiff competition that significantly increased marketing costs. The ever increasing competition plus the proliferation of new brands perceptibly leave buyers in the ocean of options where brand choice became a real challenge. Yet, cited in Bronnenberg *et al* (2010), Thumin 1962, and Allison and Uhl(1964), argue that "consumers often cannot distinguish their preferred brand in blind taste tests". This un-blind informed choice in fact is made and influenced by ranges of factors in the market.

As a significant marketing variable the issue of brand preference has been attracting the attention of researchers in the area. Numbers of studies (Ritter, 2008; Ali, 2014;Ramasut and Saranpattaranon, 2009) have been tried to pin point the influential factors that affect p1eoples' attitudes and perceptions about a particular brand and variables responsible in shaping brand choices. These factors range from individual factors (past experience, perception of quality, health concerns) to social/cultural prescriptions and economic dynamics (deregulation, globalization, market competition and advertisement) (Bronnenberg *et al* 2010;Galizzi and Garavaglia, 2012; Ali, 2014).

In Ethiopia, beer industry seems in its explosion stage where varieties of both domestic and global beer companies are being striving to enroot their products. Begun from 1915, a year marks the establishment of the first ever brewery in Ethiopia (BGI), beer consumption has gone through a variety of economic, marketing and social transformation. These transformations include public/cultural perception, economic and technological growth, urbanization and globalization, believed to have a significant influence on the general brewery market. However, it is only recently that the Ethiopian beer market began to experience a remarkably stiff competition among numbers of expecting and evolving beer brands. Evidently, in the past 5 years the industry shown more than a 15% annual increment trend and it's expected to grow further in the future. Dashen brewery factory MRD research document (2016). According to a

study conducted by Dashen Brewery S.C. (2016), most beer Consumers in Ethiopia appear to be brand switchers with little trend of Consumer loyalty.

A study conducted by Derib Aschalew, in Gondar City (2015), recommended that, since the type of consumers who lives in Gondar city are not Heterogeneous and the population is small compared to other big Cities, the result might not represent for other big Cities with different demography.

And also a study conducted by Sunkamol in Thailand (2017), the respondents only taken from regular bar and restaurants and occasions. Accordingly, the reasons of brand preference toward beer may be different from the respondents who consumed only in special occasions and who consumed for parties, therefore the researcher have recommended to collect data from night clubs, parties and regular outlets.

As there is a little knowledge about the determining factors of brand preference in Ethiopian beer market, this particular research is directed towards addressing this gap by bestowing a detailed data about the issue. The study has been conducted in Addis Ababa city where the potential number of beer consumer is estimated to be about988,356 (Dashen brewery, 2010).

As indicated above, the researcher has been trying to indicate the influential factors that shape peoples' choice of brands. Through more than Three years of sales carrier as a sales Representative, the researches has been observing booms and recessions of sales and market share of different Breweries. As a result the researcher is inspired by the academic demand of underscoring factors affecting Consumers brand preference in Ethiopian beer market. The study has beenbe conducted in the Capital city of Ethiopia, Addis Ababa.

#### **1.2. Statement of the problem**

Though the beer industry in Ethiopia seems taking its definite image in the country's economy, there exist limited knowledge about the industry, especially of its marketing variables. This might be related to the recent proliferation of the industry. Yet, the changing environment in the industry where both local and global brands are now in the market deserves a thorough scientific inquiry for marketers to act accordingly.

As there is a little knowledge about the determining factors of brand preference in Ethiopian beer market, this particular research is directed towards addressing this gap by bestowing a detailed data about the issue. The study has been conducted in Addis Ababa city where the potential number of beer consumer is estimated to be about988,356 (Source: Dashen brewery, 2010).

Understanding and predicting brand choice decisions by consumers has been a topic of interest to both marketers and researchers. Brand choice investigation involves understanding consumer behaviors in their selection of brands among various product categories (Bentz and Merunka, 2000; Ramasut and Saranpattaranon, 2009). According to Ballantyne et al. (2006), in the past, brands have been perceived as products with different attributes; however, brands are now viewed as personalities, identities, and have special meanings intrinsic to consumers.

As stated in the background of this paper, several studies have been conducted to indicate the influential factors shaping consumers brand preference. Theorists have long speculated that willingness to pay for brands today could depend on consumers' experiences in the past (Bronnenberg *et al* 2010). According to this study, willingness to pay could be a function of past consumption, which could enter expected utility directly through switching costs or through beliefs about quality. They indicated that brand choice could depend on past exposure to advertising or on past observations of the behavior of others. Citing Berkman et al. (1997) Bronnenberg *et al*(2010) also stated that brand preferences could be entirely determined by experiences in childhood.

Similarly, a study conducted in Kenya indicated that the ever changing market environment has been shifting the focus of marketers to continuous scanning of the environment to look into the Consumers preference trend (Ali, 2014). In Thailand, Ramasut and Saranpattaranon (2009) indicated that attitude and perception of Consumers towards beer consumption plays the decisive role in shaping their brand preference. They also indicated the importance of demographic factors like sex, social class and occupation in influencing brand choice. Conversely, Ritter (2008) gave the lion share for marketing strategy as the most single influential factor in determining peoples' preferences of brands.

# **1.3 Research Questions**

This Study is expected to answer the following basic research questions:

- 1. What are the factors that affect consumer beer brand preference?
- 2. Which factor has the most significant impact on consumer beer brand preference?
- 3. Do Advertisement, Quality, Price, Place of origin, Family and friends influence, Emotion and Corporate societal responsibility affect consumer brand preference?
- 4. Do the independent variables in this study merely affect consumer brand preference?

## 1.4. Objectives of the study

### **General objective:**

The ultimate objective of this study is to assess factors that affect brand preference of beer consumers in Addis Ababa City.

## Specific Research objectives (SRO)

This study has been conducted to answer the following questions:

- > Which factors have the most significant impact on beer brand preference?
- > Which factors have the lowest impact on brand beer preference?
- > Assessing the brand that has the highest market share?
- > To compare the level of significance between each independent variables
- > Investigating how brand preference is affected by different factors

## **1.5 Hypothesis**

H1. There is a positive effect of quality/performance on Consumer beer brand preference

H2. There is a positive effect of price/value of money on Consumer beer brand preference

H3. There is a positive effect of emotion benefits on Consumer beer brand preference

H4. There is a positive effect of family and friends on Consumer beer brand preference

H5. There is a positive effect of advertisement on Consumer beer brand preference.

H6. There is a positive effect of place of origin on Consumer beer brand preference.

H7. There is a positive effect of Corporate Social Responsibility on Consumer beer brand preference.

#### **1.6. Significance of the study**

### > For marketers

This study have a considerable significance to look at the determinants of brand preference among their Consumers which in turn would help them to evaluates and reshape their marketing strategies. The study generally allows decision makers to draw assumption about their Consumers, competitors, target markets, environmental factors, or other phenomena of concern. Once the determinant factors for brand preference are known, it has been easy for decision making, minimizing cost and increasing efficiency.

#### > For fellow Researchers

Besides bridging the gap of knowledge on the issue, it will also prompt further investigations by offering preliminary information. And also this study might be used as an input for other researcher who is interested in this area.

### For my field of study

Another use of this research is that it can be used to advance marketing strategies initially taught in the field of marketing. The study hopes to provide recommendations that would help in the improvement of the gaps found in the area of study.

#### 1.6 Scope of the study

The researcher has defined the scope of the research in order to make things clear. The researcher has made this study to focus on factors affecting consumers' beer brand preference in Addis Ababa City, Ethiopia.

# CHAPTER TWO

# **REVIEW OF RELATED LITERATURE**

In order to understand which factors influence consumers' brand preference and consumption in the beer industry, it is important to discuss the concepts of consumer behavior, including factors that influence consumer behavior, in general and the various factors that influence brand choice and consumption of a product in particular. Further other researchers' view point in the area must also be discussed.

# 2.1 Theoretical Literature Review

## Factors influencing consumer behavior

# **2.1.1 Social Factors**

In addition to cultural factors a consumer's behavior is influenced by such social factors as reference groups, family and social roles and statuses.

a) Reference groups: A person reference group consists of all the groups that have a direct or indirect influence on the person attitudes or behavior. Groups having a direct influence on a person are called membership groups. Some membership groups are primary groups, such as family, friends, neighbors and co-workers, with whom the person interacts fairly continuously and informally. People also belong to secondary groups, such as religious, professional, and trade-union groups, which tend to be more formal and require less continuous interactions.

b) Family: The family is the most important consumer-buying organization in society, and family members constitute the most influential primary reference group. The family has been researched exclusively. We can distinguish between two families in the buyer's life. The family of orientation consists of parents and siblings. From parents a person acquires an orientation towards religion, politics and economics and a sense of personal ambition, self-worth and love.

Even if buyer no longer interacts very much with his/her parents, their influence on the buyer's behavior can be significant. In countries where parents live with grown children, their influence can be substantial. A more direct influence on every day buying behavior is the family of procreation – namely, once spouse and children.

c) Roles and statuses: A person participates in many groups – family, clubs, and organizations.

The person's position in each group can be defined in terms of roles and status. A role consists of the activities a person is expected to perform. Each role carries a status. A Supreme Court justice has more status than a sales manager, and a sales manager has more status than an office clerk. People chose product that communicate their role and status in society. Company presidents often drive Mercedes, wear expensive suits and drink Chives Regal Scotch. Marketers must be aware of the status-symbols potential of products and brands.

#### **2.1.2 Personal Factors**

A buyer's decisions are also influenced by personal characteristics. These include the buyer's age and stage in life cycle, occupation, economic circumstances, lifestyle and personality and self-concept.

a) Age and stage in life cycle: - People buy different goods and services over a lifetime. They eat baby food in the early years, most foods in the growing and mature years, and special diet in the later years. Taste in clothes, furniture and recreation is also age related.

b) Occupation and economic circumstances: - Occupation also influences consumption patterns.

A blue-collar worker will buy work clothes, work shoes and lunch boxes. A company president will buy expensive suits, air travel and country club membership. Marketers try to identify the occupational groups that have above-average interest in their products and services. A company can even tailor its products for certain occupational groups: Computer software companies, for example- design different products for brand managers, engineers, lawyers and physicians.

c) Lifestyle: - People from the same subculture, social class and occupation may lead quiet different lifestyle. A lifestyle is a person's pattern of living in the world as expressed in activities, interests and opinions. Lifestyle portrays the —whole person interacting with his/her environment. Marketers search for relationship between their products and lifestyle groups. For example, a computer manufacturer might find that most computer buyers are achievement oriented. The marketer may then aim the brand more clearly at the achiever lifestyle.

d) Personality and self-concept: - Each person has personality characteristics that influence his/her buying behavior. By personality, we mean a set of distinguishing human psychological traits that lead to relatively consistent and enduring responses to environmental stimuli. Personality is often described in terms of such traits as self-confidence, dominance, autonomy,

difference, sociability, defensiveness and adaptability. Personality can be useful variable in analyzing consumer brand choices. The idea is that brands also have personalities and that consumers are likely to choose brands whose personality match their own.

#### 2.1.3 Psychological Factors:-

A person's buying choices are influenced by four major psychological factors – motivation, perception, learning, beliefs and attitudes.

a) Motivation: A person has many needs at any given time. Some needs are *biogenic*; they arise from physiological states of tension such as hunger, thirst or discomfort. Other needs are *psychogenic;* they arise from psychological states of tension such as the need for recognition, esteem, or belonging. A need become s a motive when it is aroused to a sufficient level of intensity. A motive is a need that is sufficiently pressing to drive the person to act.

b) Perception: A motivated person is ready to act. How the motivated person actually acts is influenced by his/her perception of the situation. Perception is the process by which an individual selects, organizes and interprets information inputs to create a meaningful picture of the world. Perception depends not only on the physical stimuli but also on the stimuli's relation to the surrounding field and on conditions within the individual. The key point is that perceptions can vary widely among individual exposed to the same reality. (Journal of Management and Science - JMS ISSN 2250-1819 (Online) / ISSN 2249-1260)

#### Brand Choice

Understanding and predicting brand choice decisions by consumers has been a topic of interest to both marketers and researchers. Brand choice investigation involves understanding consumer behaviors in their selection of brands among various product categories (Bentz and Merunka, 2000). In the past, brands have been perceived as products with different attributes; however, brands are now viewed as personalities, identities, and have special meanings intrinsic to consumers (Ballantyne et al. 2006).

Brand choice research has been investigated for many years and has intensified as product categories have become more proliferated. For example, 30 years ago there were only a handful of beer brands in grocery stores. Now, there are several brands of beer with brand extensions

featuring light beers, imports, ice beers, as well as many others. Consumers have more options and many different brands to choose from (Léger and Scholz, 2004).

Much of brand choice research has been through probability models to test the impact of marketing mix variables as a predictor of brand choice (Wagner and Taudes, 1986; Chib et al. 2004; Bentz and Merunka, 2000). These variables (referred in most research studies as the 4 P's) are elements such as product features, displays (i.e. advertising, sales promotions), availability (stock of inventory), and price (Chib et al. 2004, May; Bentz and Merunka, 2000; Wager and Taudes, 1986). When used in probability modeling, marketing mix variables are considered nonstationary and heterogeneous among the population (Wagner and Taudes, 1986).

There are other areas that have been researched with brand choice as well. 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; Wagner and Taudes, 1986; Orth, 2005).

Among previous brand choice literature, there have been very few studies involving the product category of beer. 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. More recently a study was conducted (Orth et al. 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.

#### **2.1.5 Desired Brand Benefits**

Researchers do not always account for separation of effects for brand name with product attributes. Keller (1993) suggests that the brand name creates added benefits separate from the product for consumers. Benefits are personal values that consumers associate with a product or service. It is what the consumer believes the product or service can do for them (Park et al. 1986). Brand benefits create a value by the brand name (i.e. logo, design), which transcends the functional value of the product. Brand benefits focus on the needs that the product fulfills for the consumer (Lancaster, 1971; Haley, 1968; Farquar, 1989, p. 24; Orth et al. 2004).

More recently research has focused on both brand name and brand benefits that led to a brand choice by consumers. Brand benefits have been analyzed in terms of dimensions that impact brand choice. Findings have been discovered by researching brand benefits that brands outperform and are more actionable than previous research studies in product attributes.

Dimensions that have been researched in the past include performance/quality, value-for-money, emotion, health, social, and environmental benefits (Orth 2005; Orth et al. 2005). Six brand benefit measures were shown to be significant in measuring brand choice in a previous study (Orth 2005).

## 2.1.6Performance/Quality

Quality refers to the degree of excellence in a product or service (Xianhua and Germain, 2003). Therefore, quality is one of the most important factors influencing Consumer satisfaction (Fornell et al. 1996) and is considered the ability of a product or service to perform its specific task (Ennew et al. 1993). The success of a brand in Consumer satisfaction is quality. Companies conform to requirements set by consumers (Berden et al. 2000). Quality is significant on the performance of a product (Calantone and Knight, 2000).

Quality is important for impacting brand choice because it is the portion of personal risk that a consumer takes on the decision making processing in evaluating the purchase of a product (Berden et al. 2000; Hoyer and MacInnis, 2004).

#### **2.1.7Price/Value for Money**

Price can serve as an indicator of quality for consumers. The higher the price of a product, the more perceived risk a consumer incurs (Quester and Smart, 1998). In general, consumers often associate a high-priced retail product with higher quality than those of lower pricing (Lambert, 1972). The consumer uses comparative judgments in order to evaluate a potential purchasing decision. The consumer utilizes reference prices in order to make these comparisons (Alvarez and Casielles, 2005). Reference pricing is a subjective price level that is used by the consumers to determine if the product is at an acceptable price for purchase (Mayhew and Winer, 1992). Brands in most product categories have a wide range of different prices.

A consumer might perceive a lower priced product to be considered "cheap" or having low quality, whereas a different consumer could potentially see the low cost as a good value (Hruschka, 2002; Lambert, 1972). Therefore, price is a major factor in determining brand choice.

#### 2.1.8Emotions

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 (Bowlby, 1979; Hazan and Shaver, 1994). These 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 (Thompson et al. 2005).

#### 2.1.9Normative/Personal (Social)

Social influences consist of influential factors determined by family and friends. Social influence has an effect on brands that consumers choose. There is a social risk associated with every purchase decision a consumer makes. Opinion leaders, family/friend influence, reference groups, social class, culture, and subculture can affect the brands that a consumer purchases. This social risk is often associated with what the consumer believes are acceptable brands based on the

brand perceptions in the individual's social group. For example, a consumer may purchase a higher priced, upscale brand in order to identify and be accepted by a higher social class (Hoyer and MacInnis, 2004).

# 2.1.10Environment (Stewardship)

Stewardship involves a company or brand taking an active responsibility for the environmental impact of their product. This can come from the design, manufacturing, usage from consumers, disposal of the product, and literature of the product to stay within the boundaries of government law, industry standards, and consumer standards (Bruen, 2002). In addition, product stewardship involves the environmental concerns involving health and safety in all phases of the brand's life cycle (Braglia and Petroni, 2000; Hickle and Stitzhal, 2003; White and Pomponi, 2003).

Environmental management has become a major issue in today's business world. Brands that do not exhibit stewardship miss out on "green" marketing opportunities. Results from a study analyzing the effects of stewardship concluded, firms that are more environmentally aware derive more benefits from their "green" activities (Braglia and Petroni, 2000).

Consumer benefits that come from implementing stewardship are enhancing brand reputation and image (Braglia and Petroni, 2000).

## 2.1.11 Health

Historically, there has always been debate based on whether alcohol has been considered a good thing or a bad thing for health purposes. Abraham Lincoln suggested in reference to alcohol, "Many were greatly injured by it, but none seemed to think the injury arose from the use of a bad thing but from the abuse of a very good thing" (Basler, 1953, p. 275). Today, consumers are more health conscious than they have been in previous generations. This trend has made marketers conform to these health concerns by catering products and brands to meet consumer criteria.

Indicating health benefits to consumers, such as promotion of drinking in moderation as a health benefit and low carbohydrate beers, influences a brand choice decision for health conscious consumers (Coxe, 2004; Walker, 2004; Woods, 2005; Kondo, 2002).

#### **2.1.12 Situational Factors**

Benefits sought out by consumers can differ based on the situation that the consumer is in (Yang et al. 2002). According to Belk (1974), "Situations may be defined as those factors particular to a time and place of observation which have a demonstrable and systemic effect on behavior" (p. 157). Consumers evaluate brands in different manners based on the situation (Vazquez et al. 2002). It is suggested from previous research that situational factors are a better predictor for consumer behavior than measures involving consumer attitudes. Research has indicated that consumer preferences change according to their environment (Quester and Smart, 1998; Lai, 1991, Belk, 1974).

According to Lai (1991), there are three types of situations that are used in marketing strategy among situational factors: communication situation, purchase situation, and consumption situation. Situational drivers should have a frequent number of Consumers per situation. In addition, each situation must be clearly different than the other in order to account for variance measures. Therefore, effects from environmental factors are not homogenous but rather heterogeneous (Miller and Ginter, 1979; Yang et al. 2002). A consumer might choose a brand based on being in different situations and will therefore, be motivated to drink a certain brand (Yang et al. 2002). All of the studies involving situational factors demonstrated significance based on impacting brand choice (Orth, 2005; Miller and Ginter, 1979).

Areas that have been studied with situational drivers include product involvement, brand choice, and product attributes. High product involvement was considered a factor that influences behaviors with the interaction of situational drivers. Product factors have different levels of importance to consumers based on situation. Brand choice has been found to be impacted significantly by situational factors (Orth, 2005; Quester and Smart, 1998; Miller and Ginter, 1979; Yang et al. 2002).

Situation variation depends on the product category used for research (Belk, 1974). Beer is an important category to use because it is a narrowly defined product category in accordance with researching situational drivers (Miller and Ginter, 1979). Drinking beer is considered an activity that may occur in distinct situations. Therefore, there should be a clear variance according to their changing environment (Yang et al. 2002).

#### **2.1.13Consumer Factors**

Marketers and researchers have studied consumer factors in order to have an understanding of what characteristics and traits (such as consumer demographics, susceptibility to interpersonal influence, product category involvement) impact purchasing decisions. In addition, consumer factors are utilized to target and segment populations (Park and Lessig, 1977; Bearden et al. 1989; Quester and Smart, 1998). Consumer behaviors (such as exploratory behavior, product usage, and frequency of purchase) have been researched in the past in order to have an understanding of choice (Raju, 1980, Redman et al. 1987; Uncles and Ehrenberg, 1990). These variables have been linked historically in research as potential drivers of situational variation based on brand choice with brand benefits (Orth, 2005; Orth et al. 2004)

#### **2.2 Related Documents and Previous Researches (Empirical Review)**

Cardello et al. (2016) researched about the effectiveness of each factor that measured the differences of New Zealand beer. Factors in this research were familiarity and novelty measurement, affective and attitudinal measurement, situational appropriateness measurement, and emotional related variable measurement. This research collected data from beer testing set up by researchers.

Participants in this research were 203 beer enthusiasts who must preferred and regularly consumed beer at least once a night, must be able to recall at least three beer styles, and must be interested in trying new beer. The result of research was presented by three groups. The first group was the attitudinal data explained that the familiarity or novelty and degree of simple or complex judgment were quantified through the classification task and highly associated with the specific situational uses. The second group was situation data explained that the familiar beer that appropriated for casual and everyday situations were opposite from novel beer that appropriated for special occasions at most. The last group was emotional data explained that the difference in active, passive and pleasant level. Familiar beer associated with passive emotion but novel beer associated with active emotion.

Silva et al. (2016) studied about functional conceptualization and emotional conceptualization of non-alcoholic beer compared with beer and wine. This study was a qualitative study and applied the focus group interview method to collect data. Question structure of focus group interview consisted of the introduction part, the context questions part, the motivation questions part, the emotions questions part, and a summary part. Participants for focus group interview were 56

individuals included both Dutch and Portuguese. Participants were divided into 30 female individuals and 26 male individuals. They were divided into regularly consumed beer at 54 individuals and regularly consumed wine at 54 individuals, and regularly consumed non-alcoholic beer at 28 individuals. The result revealed that there were different conceptualization among three focus groups. The successful product as beer and wine had richer conceptual content. On the contrary, non-alcoholic beer was limited in conceptual content, more on functional, and less in emotional. Hence, there was not a successful product. Furthermore, the study discovered that wine associated with positive low arousal emotion response whereas beer associated with arousal emotion and had shown a negative response. The benefit from result was for beverage producers who were both alcohol beverage and non-alcohol beverage producers focused on eliciting a rich conceptualization containing emotional sets of positive connection with consumers for the success.

Thanaratakkharathawi and Kanthawongs (2016) studied on the influence of after-sales quality, seller morality, online shopping via Instagram, trust, peer recommendations, product risk, ease-of-use, user generated content support, and perceived risk affecting purchase intention of clothing products of consumers in Chatuchak Market in Bangkok. The data in this research were collected by using survey method with 270 sample size. Hypotheses testing analyzed by Multiple Regression Analysis. The result showed that most of the participants were female, aged between 31-35 years old, single, got bachelor's degree, worked as a private company employee, earned the income was between 20,001-30,000 baht, made purchasing cloths on Instagram was between 1-2 times per month, and spent on purchasing was between 501-10,000 baht. After analysis at 0.01 level of significance by Multiple Regression, only perceived risk, user-generated content support, and peer recommendations had positive influence on purchase intention of clothing consumers.

Tsegaye Fereja and Leykun Birhanu (2014) studied factors that affect consumer beer brand preference and their result showed that, Perceived beer quality increase the probability of preferring a particular beer brand. Quality include test, production process, health and social outcome from the way it is defined, it is expected that the beer quality variable is positively related to beer brand preference. Consistent with studies conducted by Warui & Ngugi, (2013) quality of products, quality of price, and quality of service were all fundamental influencers of

customer satisfaction. Poor quality products for instance, precipitate low satisfaction levels, with customers preferring to go for other substitute products with higher quality. Vadlamudi, (2010) also indicated that customers are always looking for value for their money in both the services and products that they purchase.

Whereas, perceived beer price don't have statistically significant effect on any of the beer categories' presented. And they justified that all beer factories do not compute on sales price sphere. Ethiopian beer market exhibits similarity of price irrespective of production cost and product quality. Therefore they found out that price doesn't have a positive impact and as aresult, theirresult has deviated from many previous researches. According to Kuo et al., (2003) study; lowering the price of beer increases drinking rates, but limiting advertising in the area decreases the rate of binge-drinking overall. Again by a study conducted by Tsegaye Fereja and Leykun Birhanu (2014) Advertisement significantly increases the probability of preferring a particular brand. Their finding revealed that, change in respondents response scale for advertisement impact revealed that the probability to prefer Habesha and Walia increases by 0.03 and 0.04 respectively. The result is consistent with the findings from Kuo et al (2003), Graffe (1997), Dolich, (1969). Katke, (2007) and Mackenzie, (2004) findings that advertisements inform consumers about the existence and benefits of products and services, and helps 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. Though, as a method of achieving advertisement goals, advertisements as well as their content play a vital role in the process of commercial communication. Homer, (2001) further stated that liking advertising message and content increases the tendency to like the product. It is clear that consumer may associate characteristics of the celebrity with attributes of the product which coincide with their needs or desire.

Again by a research investigated by Tsegaye Fereja and Leykun Birhanu (2014) Peer influence has a significant positive effect on the probability of preferring St. George, Habesha; but it has a significant negative effect on preferring Others beer (Meta, Bedele, Harar & Dashen). Thus; a change in respondents peer influence increases the probability of preferring St. George by 0.04, Habesha by 0.11 but it decrease the probability of preferring Others beer (Meta, Bedele, Harar & Dashen) by 0.1.)). According to Collins et al., (2003) peer influences consist of influential factors determined by family and friends. In addition, his study indicated adolescents are exposed to peer-pressure and group-think mentalities, which lead them to consuming brands that their friends and peers consume. Hoyer and Macinnis, (2004) in their study revealed also that opinion from leaders, family/friend influence, reference groups, social class, culture, and subculture can affect the brands that a consumer purchases. As a reslt a consumer may purchase a higher priced, upscale brand in order to identify and be accepted by a higher social class. Moreover; according to Jessor, (1981) and Kandel, (1980) peer influence stems from persuasion by attitudes and behaviors of fellow peers. In addition, Bandura, (1977) revealed that the behavior of others might remind the individual that alternatives to their own behavior are available.

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. There is a social risk associated with every purchase decision a consumer makes. This social risk is often associated with what the consumer believes are acceptable brands based on the brand perceptions in the individual's social group. According to Iyanga, (1998) study it is a group real or imaginary that one looks for guidance in structuring his or her behavior pattern.

# **2.3 Conceptual Framework**

In this research study, two variables have been discussed, i.e., dependent and independent variables. Consumer Beer Brand Preference shows dependency upon many independent variables namely, quality, price, emotions, family and friends, place of origin, corporate social responsibility and advertisement.

The Figure 1 below presents the conceptual framework of this study, that is, the interrelationship between the dependent and independent variables is shown below.



Source: (modified by the researcher 2019, from David Ritter; 2008)

# CHAPTER THREE RESEARCH METHODOLOGY

# 3.1. Research Approach& Design

Quantitative research approach has been used in the study and descriptive research design was applied. The purpose of the research design is to provide information for the collection of relevant evidence with minimal expenditure of efforts, time and money. Hence, this research is a descriptive research. Descriptive researchuses a set of scientific methods and procedures to collect raw data and create data structures that describe the existing characteristics (example, attitudes, intentions, preferences, purchase behaviors, evaluations of current marketing mix strategies) of a defined target population or market structure. Descriptive research designs are appropriate when the research objectives include determination of the degree to which marketing (or decision) variables are related to actual market phenomena. In fact, descriptive studies are very common in marketing research and make up a large part of the studies that are conducted by either in-house research departments or commissioned to outside marketing research companies. Since, the aim of this study is to assess determinant factors of brand preferences, descriptive study design is the appropriate one. Accordingly, survey has been used to collect quantitative data whereas qualitative information would only be used to further cement the statistical data. Thus, the study design has predominately be quantitative- survey research.

#### 3.2. Study area

The study has been conducted in the Capital City of Ethiopia, Addis Ababa, where the competition is stiff for those Beer Industries operating in the Country.

According to the third Population and Housing Census of Ethiopia which was conducted in May and November 2007, Ethiopia is administratively sub-divided into nine regional states and two city administrations. As per that census report, the largest proportion of the country's population was found in Oromia Region, followed by Amhara and SNNP Regions. The lowest proportion was in Harari Regional State.

The total number of persons in Ethiopia enumerated in the third Population and Housing Census aggregating the May and November data sets -- was 73,918,505. Of these, 37,296,657 (50.5%) were males and 36,621,848 (49.5%) were females.

According to percentage distribution of population by regions in the 2007census, Addis Ababa City Administration comprises a population of 2,739,000 people which represents 3.7% of the

country's population. Out of the total population in Addis Ababa City which is 2,739,000 the number of male is 1,305,387 representing 47.6 % and female is 1,434,164 representing 52.4 %. (FDRE, Population and Housing Census, 2007).

Again when we divide Addis Ababa's Population by age category 1,695,701 people re above 21 Years. Since, 21+ is considered as legal drinking age by FDRE Government, I have used this age category in my Research as potential Consumers.

To be more reliable, the researcher has classified this legal Drinking Age by Religion, Since, Protestants and Muslims are not considered as Lead Consumers. Therefore out of 1,695,701 peoples who lives in Addis Ababa who are considered as Legal Drinking Age Category, 1,291,463 are Orthodox, 141,132 are Protestant and 263,106 are Muslims.

Therefore the researcher has considered 1,291,463 as potential consumers in the research and the total population as well.

#### 3.3. Instrument of data collection

The primary data hasbe collected from the survey through semi-structured questionnaire- a questionnaire type that is made up of close ended question items. A major advantage this questioning technique has over observation techniques is that they allow the researcher to collect a wider array of raw data. Raw data from a survey can pertain not only to a person's current behavior but also to his or her state of mind or intentions. Thus, the researcher and trained enumerators has been administered the questionnaire taking a procedure of "door-to-door personal interviews where the selected samples have been asked individually wherever they are found and/or agreed to be interviewed. The questionnaire had close ended questions items that has enabled the researcher delve into the both the objective and subjective experiences of the respondents.

The Questionnaire hadhave 5 scales which Ranges from 'strongly disagree', 'disagree', 'neutral', 'Agree, and 'Strongly agree'. Accordingly the researcher assigns a value of 1-5 respectively for each possible response. The scale is adapted by the researcher from Sunkamoi Khongsawatvorakul (2017), a research conducted in 2015 on factors affecting craft beer brand preference in Thailand.

Based on Addis Ababa city administration portal, Addis Ababa comprises 6 zones, 10 Sub Cities and 28 Woredas. By using this classification, the researcher distributed 385 questionnaires to the ten sub cities by dividing equal share which is 38. The questionnaires were distributed by considering high end outlets (potential beer outlets, where the beer industrial volume is relatively

high. The researcher classified these areas based on the knowledge he got from experience working as a sales representative and looking at different breweries trip sheet where sales for each outlet is recorded on.

By doing so, again the researcher only chosen mainstream outlets and brands, excluding social and Kebele outlets, where type of consumers and the price of different products are different from the others.

The questionnaire was mainly distributed, on groceries, Bars, and butcheries.

# 3.4. Source of data

# 3.4.1 Primary data:

Primary data, is firsthand raw data and structures, and have yet to receive any type of meaningful interpretation. In order to answer the research questions, survey design has been used. Hence, structured questionnaire has been prepared and the data from the questionnaire has been the primary source of information to be statistically analyzed to understand the factors affecting beer consumers brand preference in the target area.

## 3.4.2Secondary data

Secondary dataare historical data structures of variables previously collected and assembled for some research problem or opportunity situation other than the current situation. Data from any authorized sources including company annual reports, books, articles, journals, magazines and others have been thoroughly analyzed to back the primary data with other related previous knowledge on the issue.

## 3.5. Study population

The new legal drinking age of Ethiopian Health Authority has been adjusted from 18+ to 21+ in June 2019. As a result, the study has focus on consumers of beer whose age is actually above 21. Consumers of all kinds of beer havebe enrolled to incorporate the various experiences of the respondents. Perceptibly, since there is no sampling framethe researcher has use casual drinking places, like groceries, bars, night clubs and hotels to reach into the population of the study.

#### **3.6.** Sampling technique and sample size

Notably, studying beer consumers is difficult for two reasons. First, there is no sampling frame which provides a specified potential respondent for the study; the target population is large and fluid to be easily noticed. Second, since drinking is a personal habit that people would not want to talk about, asking people about their drinking habit would be a challenging venture. Hence, it requires maximum effort to systematically frame the sample population for the research. This makes, a non- probability sampling techniques the only option in the menu. In fact, non-probability sampling plans eliminate the true assessment of sampling error existence and limit the generalizability of any information to larger groups of people other than that group which provided the original raw data. Accordingly, accidental and purposive sampling techniques have been used to select the respondents from the potential target areas stated above.

According to Dashen brewery's study conducted in 2010 around 988,356 potential number of beer consumers are estimated to reside in Addis Ababa. Standing from this entire estimated potential beer consumer, And Based on The new Government Drinking Age Regulation and Justification I gave in Chapter 3.2, Around 1,291,463 are considered as potential number of consumers in this study. Thus the sample was be 385 through using the following infinite population sample size determination formula adapted from Israel (1992).

$$n = \frac{z^2 * p * q}{e^2}$$

Where;

n = Sample size to be calculated

p = Percentage or presence of the study characteristics (p=0.5, maximum variability)

q= 1-p

e= Accepted margin of error ( $\pm 4\%$  of precision)

z=1.96(95% confidence level)

Then

$$n = \frac{1.96^2 * 0.5 * (1 - 0.5)}{0.05^2}$$

## 3.7. Plan of Data Analysis and Presentation

Since the study predominantly assumes quantitative survey design, the data gathered has been analyzed using standard statistical procedure. Typically, data analysis is conducting with the assistance of a computerized data analysis program called Statistical Package for Social Sciences (SPSS). Coding is then made to assign all response categories a numerical value (for example, male=1, female=2,) Hence, SPSS software has been employed to undertake the calculations. Accordingly, a variety of statistical test, which include means, frequencies, correlations, trend analysis, and regression, are also used to analyze data. The final output has been discussed and presented using various appropriate formats, like charts, tables, graphs, that have accompany the written discussion.

## **3.8 Reliability analysis**

Table 1 Reliability analysis

Reliability Statistics	
Cronbach's Alpha	N of Items
.897	37

(Computed from 2018/19 Survey Data)

Before the questionnaires were formally distributed, a pre-trial reliability analysis done on a questionnaire for all the 37 variables. According to Nunnally (1978) Cronbach's alpha should be 0.700 or above. But, some of studies 0.600 also considered acceptable (Gerrard, et al, 2006). In this study, the value of Cronbach's alpha was **0.897** which was greater than the standard value, 0.7. Thus it can be concluded that the measures used in this study are valid and highly reliable.

#### **3.9.** Validity analysis

Validity test was primarily used to systematically evaluate the appropriateness of the questionnaire. The questionnaire design primarily reflected the relevant studies by David ritter (1998) who first proposed a questionnaire design to analyze factors affecting customer's beer brand preference. After discussing and modifying the proposed questionnaire with the assistance of my principal advisor, the questionnaire was summarized and organized to check content validity. The questionnaire was distributed after conducting a pre-test and implementing the required modifications; thus, the questionnaire used for the primary experiment should exhibit sufficient validity.

#### 3.10 Ethical considerations

It is common in every research that respondents should be informed about the objective of the study and informed consent should be guaranteed prior the actual administration of the questionnaire. Thus, respondents has been briefed about the aim of the study and the overall procedure of the interview. Once consent is assumed, the respondents have been also be informed to feel free to leave the interview whenever they feel doing so.

# CHAPTER FOUR RESULT AND DISCUSSION

## 4.1. Introduction

This chapter presents the results and findings from the data collection and analysis done described in the previous chapter. In this research, out of 385 questionnaires administered to the respondents a total of 374 questionnaires were returned. This represent 97.14% response rate that is deemed as satisfactory to make conclusions for the study. According to Rogers, Miller and Judge (2009) a response rate of 50% is acceptable for a descriptive study. According to Mugenda and Mugenda (1999) a response rate of 70% and above is rated very good. Fincham (2008) further asserts that response rates approximating 60% should be the goal of researchers for most research. Based on this assertion a response rate of 97.14% is therefore very good.

To facilitate ease in conducting the empirical analysis, the results of the descriptive analysis are presented first, followed by the inferential analysis.

The first phase involved editing, coding and the tabulation of data. This assisted in identifying any anomalies in the responses and the assignment of numerical values to the responses in order to continue with the analysis. The data was then checked for possible erroneous entries and corrections made appropriately. The statistical program used for the analyses and presentation of data in this study is the Statistical Package for the Social Sciences (SPSS) version 20. The descriptive statistics utilized are based on frequency tables to provide information on the demographic variables. Through tables, summary statistics such as means, standard deviations, minimum and maximum are computed for each variable in this study.

This is followed by presentation of inferential statistics based on each hypothesis formulated for the study. All statistical test results were computed at the 2-tailed level of significance. The alpha levels of .01, .05 and .1 selected a priori for test of significance for correlations and multiple regression analysis.
## 4.2 Background Information and Analysis

## 4.2.1Gender

In figure 4.1 the respondents were asked about their gender the findings revealed that most of the respondents were male who represented 76.4% of the respondents and female were 23.6%. This



indicates that most beer drinkers are male.

Figure 4.1 Gender

## 4.2.2 Age

In table 4.1 the respondents were asked about their age, the findings showed that between ages 18-24 the respondents were 23.4% of the total respondents. For ages between 25-34 years of age, the respondents were 57.9% of the total respondents. For ages 35-44 there the respondents were 9.1% of the total respondents. For ages 45-54 years of age,the respondents were 3.4% of the total respondents. For ages above 55 years,the respondents were 6.2% of the total respondents.

## Table 2 Age

Age					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	18-24	87	23.4	23.4	23.4
	25-34	216	57.9	57.9	81.3
	35-44	34	9.1	9.1	90.4
	45-54	13	3.4	3.4	93.8
	> 55	24	6.2	6.2	100.0
	Total	374	100.0	100.0	

(Computed from 2018/19 Survey Data)

## 4.2.3 Marital Status

In figure 4.2 the respondents we asked about their marital status, the findings showed the marital status of the respondents and it showed that 42.4% of the respondents were married while 53.9%



of the respondents were single. While 3.7% of the respondents were divorced.

Figure 4.2 Marital Status

## 4.2.4 Occupation Status

In figure 4.3 the respondents we asked about their occupation status, the findings showed the occupation status of the respondents and it showed that 39.2% of the respondents were government employees while 16.3% of the respondents were NGO workers. While 29.8% of the



respondents were in private business. On the other hand, 14.8% of the respondents were students.

Figure 4.3 Occupation status

## 4.2.5 Monthly Income

In table 3 the respondents we asked about the amount of monthly income they have, the findings showed the occupation status of the respondents.

Table 3 Monthly Income.

Monthly Income								
		Frequency	Percent	Valid Percent	Cumulative Percent			
Valid	< 1000	32	8.4	8.4	8.4			
	1001-2000	47	12.6	12.6	20.9			
	2001-3000	49	12.8	12.8	33.7			
	3001-4000	80	21.2	21.2	54.9			
	> 4000	166	45.1	45.1	100.0			
	Total	374	100.0	100.0				

(Computed from 2018/19 Survey Data)

## 4.2.6 Beer Brand Preference

In figure 4.4 the following figure depicts, the brand choice of the respondents



Figure 4.4 Brand Preference

### 4.3 Factors affecting Beer Brand preference

### 4.3.1 Quality

The first objective for this study was to examine effect of quality on beer brand preference. To do this the researcher further required the respondents to indicate their level of agreement with the statements given in Table 4 by filling a 5-Likert scale where; 1- Strongly disagree, 2- disagree, 3- Neither agree nor disagree, and 4- Agree and 5-Strongly agree. Mean, standard deviation and Coefficient of Variation (%) were then computed for the variable.

	Ν	Mean	Std.	Variance
			Deviation	
It has consistent quality	374	3.18	1.470	2.160
It is well made	374	2.90	1.389	1.929
It has an acceptable standard of quality	374	3.13	1.414	2.000
It has good craftsmanship	374	3.06	1.393	1.940
Grand Mean	374	3.06	1.41	2.000

Table 4

(Source: Computed from 2018/19 survey data)

### 4.3.2 Price

The other objective for this study was to examine effect of price on beer brand preference. To do this the researcher further required the respondents to indicate their level of agreement with the statements given in Table 5 by filling a 5-Likert scale where; 1- Strongly disagree, 2- Disagree, 3- Neither agree nor disagree, and 4- Agree and 5-Strongly agree. Mean, standard deviation and Coefficient of Variation (%) were then computed for the variable.

## Table 5: Price

	Ν	Mean	Std.	Variance
			Deviation	
It is reasonably priced.	374	2.98	1.408	1.983
It offers value for money.	374	3.01	1.396	1.949
It is a good product for the price.	374	2.96	1.369	1.874
It is economical.	374	3.03	1.392	1.937
Grand Mean	374	2.99	1.39	1.935

(Source: Computed from 2018/19 survey data)

## 4.3.3 Family or Friends

The other objective for this study was to examine effect of quality on beer brand preference. To do this the researcher further required the respondents to indicate their level of agreement with the statements given in Table 6 by filling a 5-Likert scale where; 1- Strongly disagree, 2- disagree, 3- Neither agree nor disagree, and 4- Agree and 5-Strongly agree. Mean, standard deviation and Coefficient of Variation (%) were then computed for the variable.

I doite 0
-----------

	Ν	Mean	Std.	Variance
			Deviation	
To purchase the real brand first I seen my family or friends	374	2.88	1.375	1.890
choice				
I use the brand when our family or friends recognizes	374	3.08	1.491	2.224
To purchase the real brand	374	2.93	1.422	2.023
Grand Mean	374	2.96	1.42	2.719

(Source: Computed from 2018/19 survey data)

#### **4.3.4 Emotional benefit**

The other objective for this study was to examine effect of emotional benefit on beer brand preference. To do this the researcher further required the respondents to indicate their level of agreement with the statements given in Table 7 by filling a 5-Likert scale where; 1- Strongly disagree, 2- disagree, 3- Neither agree nor disagree, and 4- Agree and 5-Strongly agree. Mean, standard deviation and Coefficient of Variation (%) were then computed for the variable.

Table '	7
---------	---

	Ν	Mean	Std.	Variance
			Deviation	
It is a product that you enjoy.	374	2.99	1.328	1.763
It makes you feel relaxed.	374	2.95	1.333	1.777
It makes you feel good.	374	3.03	1.488	2.214
It eliminates all fear.	374	3.01	1.436	2.062
It soothes you.	374	3.04	1.383	1.914
It eliminates all anger.	374	3.02	1.428	2.039
Grand Mean	374	3.00	1.399	1.96

(Source: Computed from 2018/19 survey data)

#### 4.3.5 Advertisement

The other objective for this study was to examine effect of advertisement on beer brand preference. To do this the researcher further required the respondents to indicate their level of agreement with the statements given in Table 8 by filling a 5-Likert scale where; 1- Strongly disagree, 2- disagree, 3- Neither agree nor disagree, and 4- Agree and 5-Strongly agree. Mean, standard deviation and Coefficient of Variation (%) were then computed for the variable.

## Table 8

	Ν	Mean	Std.	Variance
			Deviation	
It is attractive	374	3.10	1.401	1.963
It is influential to me	374	2.93	1.390	1.932
It creates image on my mind	374	3.10	3.10	1.462
It is easy to understand the message	374	3.10	3.09	1.435
Grand Mean	374	3.05	2.24	1.698

(Source: Computed from 2018/19 survey data)

## 4.3.6 Place of origin

The other objective for this study was to examine effect of place of origin on beer brand preference. To do this the researcher further required the respondents to indicate their level of agreement with the statements given in Table 9 by filling a 5-Likert scale where; 1- Strongly disagree, 2- disagree, 3- Neither agree nor disagree, and 4- Agree and 5-Strongly agree. Mean, standard deviation and Coefficient of Variation (%) were then computed for the variable.

	Ν	Mean	Std.	Variance
			Deviation	
It symbolizes where I'm from	374	2.95	1.427	2.037
I give priority for a beer where I born or Lived in	374	2.88	1.399	1.958
Creates job opportunity for the locals	374	3.02	1.380	1.904
Grand Mean	374	2.95	1.402	1.922

Table 9

(Source: Computed from 2018/19 survey data)

## 4.3.7 Corporate of societal responsibility

The other objective for this study was to examine effect of societal responsibility on beer brand preference. To do this the researcher further required the respondents to indicate their level of agreement with the statements given in Table 10 by filling a 5-Likert scale where; 1- Strongly disagree, 2- disagree, 3- Neither agree nor disagree, and 4- Agree and 5-Strongly agree. Mean, standard deviation and Coefficient of Variation (%) were then computed for the variable.

Table	10
rabic	10

	Ν	Mean	Std.	Variance
			Deviation	
Cares for the society	374	2.94	1.462	2.137
Donate for the Poor	374	2.95	1.407	1.980
Grand Mean	374	2.94	1.43	2.05

(Source: Computed from 2018/19 survey data)

## 4.4 Factor analysis

Based on Kaiser (1974), the Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy (MSA) can be used to determine whether the study variables, dimensions, or questionnaire items are suitable for factor analysis. The KMO and Bartlett's test values obtained by assessing the questionnaire results are presented in Table 11.

### Table 11 KMO and Bartlett's test values

KMO and Bartlett's Test					
Kaiser-Meyer-Olkin Measure of Sampling Adequacy927					
Bartlett's Test of Sphericity	Approx. Chi-Square	3923.704			
	Df	21			
	Sig.	.000			

Research variable	KMO MSA	Significance from Bartlett's test of sphericity
Quality	.899	0.000
Value for Money	.794	0.000
Family and Friends Influence	.851	0.000
Emotional Benefit	.822	0.000
Advertisement	.924	0.000
Place of origin	.932	0.000
Societal responsibility	.888	0.000

(Computed from 2018/19 Survey Data)

The Kaiser-Meyer-Olkin Measure of Sampling Adequacy is a statistic that indicates the proportion of variance in the research variables that might be caused by underlying factors. High values (close to 1.0) generally indicate that a factor analysis may be useful with our data. If the value is less than 0.50, the results of the factor analysis probably won't be very useful.

As we can see from the above table, all values are close to 1 and greater than 0.5, 4.5 Descriptive Statistics Analysis

### 4.5.1 Results of measures of central tendency and dispersion

This subsection explains the descriptive statistics calculated on the basis of the variables included in study questionnaires. The measures of central tendency and dispersion results obtained from the sample respondents are shown in table below.

Table	12 I	Descriptive	statistics
-------	------	-------------	------------

Descri	ptive	<b>Statistics</b>
--------	-------	-------------------

	Ν	Minim	Maximu	Mean	Std.	Skewne	SS	Kurtosis	
		um	m		Deviatio				
					n				
	Stati	Statisti	Statistic	Statisti	Statistic	Statisti	Std.	Statistic	Std.
	stic	c		c		c	Error		Error
Quality	374	2	5	3.84	.805	295	.126	386	.252
Value for Money	374	2	5	3.48	.831	.500	.126	489	.252
Family and	374	1	5	3.74	1.105	-1.109	.126	.340	.252
Friends Influence									
Emotional	374	1	5	3.38	.832	394	.126	279	.252
Benefit									
Advertisement	374	1	5	3.05	.922	075	.126	153	.252
Place of origin	374	1	5	2.95	.829	057	.126	.438	.252
Societal	374	1	5	3.10	.814	.266	.126	.764	.252
responsibility									
Grand Mean		23.54							

(Source: Computed from 2018/19 survey data)

A fundamental task in many statistical analyses is to characterize the location and variability of a data set. A further characterization of the data includes skewness and kurtosis.

Skewness is a measure of symmetry, or more precisely, the lack of symmetry. A distribution, or data set, is symmetric if it looks the same to the left and right of the center point. A symmetric

distribution such as a normal distribution has a skewness of 0, and a distribution that is skewed to the left, e.g. when the mean is less than the median, has a negative skewness.

Kurtosis is a measure of whether the data are heavy-tailed or light-tailed relative to a normal distribution. That is, data sets with high kurtosis tend to have heavy tails, or outliers. Data sets with low kurtosis tend to have light tails, or lack of outliers. A uniform distribution would be the extreme case. Extremely non normal distributions may have high positive or negative kurtosis values, while nearly normal distributions will have kurtosis values close to 0. Kurtosis is positive if the tails are "heavier" than for a normal distribution and negative if the tails are "lighter" than for a normal distribution.

#### 4.5.2 Multiple Regressions

In order to determine the extent to which the explanatory variables explain the variance in the explained variable, multiple regression analysis was performed.

Prior to running the multiple regression analysis, the hypothesized explanatory variables were checked for the existence of Multicollinearity. Multicollinearity problem arises when at least one of the independent variables is a linear combination of the others. The existence of Multicolinearity might cause the estimated regression coefficients to have the wrong signs and smaller t-ratios that might lead to wrong conclusions.

There are two measures that are often suggested to test the presence of multicolinearity. These are: Variance Inflation Factor (VIF) for association among the continuous explanatory variables and contingency coefficients for dummy variables. The technique of variance inflation factor (VIF) was employed to detect the problem of multicolinearity among the continuous variables.

According to Gujarati (2003), VIF can be defined as:  $VIF(X_i) = \frac{1}{1-R_i^2}$ 

Where,  $R_i^2$  2 is the square of multiple correlation coefficients that results when one explanatory variable (Xi) is regressed against all other explanatory variables. The larger the value of VIF the more "troublesome" or collinear the variable Xi is. As a rule of thumb, if the VIF of a variable exceeds 10, there is a multicolinearity problem. The VIF values displayed below (Table 13) have shown that all the continuous explanatory variables have no serious multicolinearity problem.

Table 13 VIF

Collinearity Statistics		
Tolerance		VIF
(Constant)		
Quality	.114	8.738
Value for Money	.233	4.290
Family and Friends Influence	.149	6.699
Emotional Benefit	.221	4.520
Advertisement	.099	9.130
Place of origin	.066	7.156
Societal responsibility	.146	6.851

(Computed from 2018/19 Survey Data)

Similarly, contingency coefficients were computed to check the existence of multicolinearity problem among the discrete explanatory variables. The contingency coefficient is computed as:

$$C = \sqrt{\frac{x^2}{N + x^2}}$$

Where, C= Coefficient of contingency

 $x^2$  = Chi-square random variable and

N = total sample size.

The decision rule for contingency coefficients is that when its value approaches 1, there is a problem of association between the discrete variables.

Table 14 Contingency coefficients

	Sex	Age	Marital	Occupation	Monthly
			Status	Status	Income
Sex	1	.802**	.494**	.642**	.851**
Age		1	.585**	.748 <sup>**</sup>	.781 <sup>***</sup>
Marital Status			1	.890***	.781**
Occupation Status				1	.862**
Monthly Income					1

(Computed from 2018/19 Survey Data)

The following subsections present the results of multiple regression analysis. Regress consumer brand preference (as dependent variable) on factors of choices (as independent variable). The results of multiple regression analysis are displayed in Table 15 below.

Table 15: Regression

Model	R	R Square	Adjusted R Square	Std. Error of the	
				Estimate	
1	.824	.678	.672	.670	
a. Predictors: (Constant), Societal responsibility, Value for Money, Emotional Benefit, Family					
and Friends	Influence, Effect	of Quality, Adver	tisement Benefit, Place o	f origin	

Model		Unstandardized		Standardized	t	Sig.
		Coefficients		Coefficients		
		В	Std. Error	Beta	-	
	(Constant)	1.511	.183		8.269	.000
	Quality	.562	.114	.432	4.944	.000
	Value for Money	117	.078	120	-1.502	.032
	Family and Friends Influence	.154	.072	.212	2.131	.034
	Emotional Benefit	.287	.080	.294	3.596	.000
	Advertisement	.383	.108	.561	3.530	.000
	Place of origin	139	.149	140	937	.021
	Societal responsibility	647	.102	641	-6.374	.000

(Computed from 2018/19 Survey Data)

As it is observed from table above, the coefficient of multiple correlations R which is the degree of association between consumers brand choice and factors of choice is 0.670. Given the R square value of 0.678 and adjusted R square of 0.672, the model summary reveals that the proportion of the variation in consumers brand choice, explained by the factors jointly is 67.8 %. The remaining 32.2 % of the variance is explained by other variables not included in this study.

## 4.5.3Pearson Correlation Analysis

To determine the relationship between causes of brand choice and choice of brand Pearson correlation was computed. On this study, Pearson's Product Moment Correlation Coefficient was employed. The table below presents the results of this Pearson correlation on the relationships.

Correlations		
		Brand
		Preference
Quality	Pearson Correlation	.278**
	Sig. (2-tailed)	.000
	Ν	374
Value for Money	Pearson Correlation	.547**
	Sig. (2-tailed)	.000
	Ν	374
Family and Friends Influence	Pearson Correlation	.164**
	Sig. (2-tailed)	.001
	Ν	374
Emotional Benefit	Pearson Correlation	.206**
	Sig. (2-tailed)	.000
	Ν	374
Advertisement	Pearson Correlation	.454**
	Sig. (2-tailed)	.000
	Ν	374
Place of origin	Pearson Correlation	.333***
	Sig. (2-tailed)	.000
	Ν	374
Societal responsibility	Pearson Correlation	.430**
	Sig. (2-tailed)	.000
	Ν	374
**. Correlation is significant at the 0.01	level (2-tailed).	1

(Source: Computed from 2018/19 survey data)

It shows that, the correlation coefficients for the relationship between factors of brand choice and consumer's brand choices were linear and positive ranging from low to medium correlation coefficients. From the table, value for money (r=.547, p< 0.01), advertisement (r=.454, p< 0.01) and societal responsibility (r=.430, p< 0.01) indicated that they had relatively strong and statistically significant relationship with consumers brand choices. And followed by place of origin (r= .333, p< 0.01) and quality (r=.278, p<0.01). On the other hand emotional benefit (r=.206, p<0.001), family and friends influence(r=.164, p<0.001) hadweak and statistically significant relationship with consumers brand choice at 99% confidence level.

### 4.6 Discussion

Regression analysis showed that there was a positive relationship between advertisement and brand preference of beer consumers. The highest Standardized Coefficient (.561) indicates that the co-variation between advertisement and brand preference could be explained. This explains that advertisement is a sufficient factor in predicting consumers brand preference of beer. This result supported by different other researchers. For instance, the influence of advertisement in consumer's preference of beer according to Homer (2001) can be seen in the fact that liking advertising message and content increases the tendency to prefer the brand so advertised. That many firms use celebrity as the source of their marketing communication because celebrity source may attract more attention to the advertisement than non-celebrity, and they can associate characteristics of the celebrity with attributes of the brand which coincide with their needs or desire. Penchayat (2001) captures the influence of advertising on consumers brand preference and states that advertising tends to use psychological tactics which makes people buy the brand, by projecting images and brand consciousness, create ideas, exploit insecurity of consumers, fulfill their secret needs, use famous personalities and run lotteries. The result also supported by Sturt, Shimp and Egle (1990), when they pointed out that one way of influencing brand preference is through classical condition. In this approach, a stimulus the audience likes such as music is consistently paired with the brand name. Overtime, some of the positive effects associated with the music will transfer to the brand. Moreso, the work of Modelson and Bolls (2002) shows that in the traditional hierarchy of effect model, advertising exposure leads to cognition such as memory about the advertisement, the brand which in turn leads to liking and attitude toward purchase, which in the end lead to buying the brand.

Unstandardized Coefficients lend credence to the hypothesis that there is a direct positive relationship between family and friends influence and brand preference of beer consumers. The high standardized coefficient (.212) of determination also indicates that the correlation between family and friends influence and brand preference of beer could be attributed to the former. This finding is supported by many studies in extant literature about the relationship of family and friends influence and brand preference of beer consumers. Bearden and Etzel (1982) have indicated that consumers' preference is significantly influenced by one's friend. That friend's pressure is a strong factor that determines a consumers' purchasing choice. They stated that everyone belongs to a group of some sort, friends to neighbors and co-workers. Rather than get left out, people purchase products and all brands that make them fit in. agreeing with this view is Iyanga (2008), who opine that in the decision to buy, what, when, how and where to buy, the consumer is influenced to a reasonable extent by the group he belongs or aspires to belong, as it has one purchasing and consumption influence on him/her. Kotler (2004) has indicated that the use of prominent/attractive people endorsing product and or brand and the use of obvious group members and spokesperson in the development of marketing communication are all evidence in the fact of family and friends influence on consumers' brand preference of beer.

According to the research finding, Quality is also important determinant factor of consumers' brand preference. Quality is the other predictor of consumers brand choices with Beta-value of .432. This has shown that the hypothesis stated above shows that it has a positive effect.

This result also supported by others researches. Quality is one of the most important factors influencing customer satisfaction (Fornell et al. 2007) and is considered the ability of a product or service to perform its specific task (Ennew et al. 1993). The success of a brand in customer satisfaction is quality. Companies conform to requirements set by consumers (Berden et al. 2000). Quality is significant on the performance of a product (Calantone and Knight, 2000). The interaction of a product meeting or exceeding consumer expectations based on its performance is how quality is evaluated (Fornell et al. 2007; Reeves and Bednar, 1994). Performance specifications generally define how quality is judged for products (Ennew et al. 1993).

However, research has shown that quality may not equate to success without the proper marketing techniques in order to reach and communicate with consumers (Calantone and Knight, 2000; Choi and Coughlan, 2006).

Emotional benefit is the other predictor of consumers brand choices with Beta-value of .294. This has shown that the hypothesis stated above shows that it has a positive effect.

Even if Price tend to have a positive relationship with consumers brand preference, it is contrary with the finding of a research conducted by TsegayeFereja and LeykunBirhanu (2014), factors that affect consumer beer brand preference and their result showed that price have a negative impact on consumer brand preference. However In my study, Price have a positive impact on consumers beer brand price in spite of its Beta-value, which is not as significant as advertisement, quality, emotional benefit & family and friends.

Advertisement is the best predictor of customers brand choices with Beta-value of .561. This has shown that the hypothesis stated above shows that it has a positive effect.

Quality is the other predictor of customers brand choices with Beta-value of .432. This has shown that the hypothesis stated above shows that it has a positive effect.

Emotional benefit is the other predictor of customers brand choices with Beta-value of .294. This has shown that the hypothesis stated above shows that it has a positive effect.

Family and friends influence is the other predictor of consumer brand choices with Beta-value of .212

This has shown that the hypothesis stated above shows that it has a positive effect.

The remaining variables still show a positive effect on consumers brand choices but not as significant as the above stated ones.

Hence, it may be concluded that, the null hypothesis is rejected; so, the explanatory variables may significantly explain for consumer'sbrand choice.

# CHAPTER FIVE CONCLUSION, RECOMMENDATION, LIMITATION AND DIRECTION OF FUTURE RESEARCH

### **5.1 Conclusion**

This paper has investigated and presented the factors influencing brand preference of beer consumption in Addis Ababa. In this sense Price, family and friends influence, emotion benefit, Advertisement and quality were underlined as predictor variables in consumers' brand preference of beer. Advertisement as an influential factor of beer consumers is based on the fact of creativity of the advertising message, the contents and the use of stimulus (music, celebrity, pictures) in the development of commercial communications. The pairing of stimulus the audience like brings about attention, interest, desire, and action. Family and friends influence is a strong variable in the consumers' preference for a brand of beer. No man is an island but belongs to one social group or family and friends (either directly or indirectly) and it is this social interaction that influences most of his purchasing or consumption behavior.

Ethiopia with a population closer to 100 million, the per capita consumption of beer stands at eight liters and is expected to reach nine or 10 by the end of 2019/20, which is very smallcompared to Kenya's above 15 liters and South Africa and around 60 liters. One of the majoractor for the growth of the beer industry came in the past few years when the government of Ethiopian transferred all state-owned breweries to private.

This study tried to assess determinants of beer brand preference in Addis Ababa, Ethiopiabased on primary data collected from 374 sampled respondents. Consumer's beerbrand preference was justified on the basis of utility maximization. The study reviewed empiricalevidences on factors which determine beer brand preference in developing countries. Theevidences shows that advertisement, quality, emotional benefit, family and friends influence are among the majordeterminants which affect beer brand preference in developing countries including Africa. InEthiopia empirical works show that weak brand loyalty or inconsistent beer preference due toweak market segmentation and product differentiation.

The respondents in the study area were characterized by a relatively average living standard and respondents covered in this study were versatile. Thus, the result revealed that out of a total 374 respondents, beer brand preference result was, Habesha(33%),St. George (31%), Dashen (16%), Walia (14%), and Meta (6%).

The finding from the multiple regression revealed what factors determine theprobability attached to respondents beer brand preference. Accordingly; advertisement, quality, emotional benefit, family and friends influence had positive sign and significantly affect consumer beer brand preference.

Price, Corporate Societal Responsibility and place of originhave also positive relationship in the consumer'sbeer brand preference of beer. Even if their degree is relatively low. Consumers may face similar environment but several motivating conditions may play a role on brand choice of beer.

### **5.2 Recommendation**

Based on the findings discussed above the following recommendation forwarded:

A Beer producer, who wishes to be on the advanced stage of competition, should develop a more successful advertising campaign programs to increase the consumers' preference for their brands of beer. It is therefore suggested that any advertisement for beer brands should convey information about the advantages which the brand being advertised would offer over other brands. Since family and friends influence was found to be significantly relevant to brand preference of beer, producers should in their advertisement emphasis social groups. They should exploit this further through segmenting the market into distinctive social classes. Also beer manufacturers should focus on activities that would help consumers to socialize with their friend or families.

The company can take a market segmentation strategy and design their products in a mannerthat make the products appeal to different categories of individuals. The managers should appreciate the influence of personal factors on customer satisfaction. In so doing, they should implement a product design strategy that appeals to greater number of customers.

A potentially successful strategy can be that which provides products that correspond to and appreciate customer's social status and age. Design a product that appeal to different genders is also a potentially effective strategy given that women also consume beer.

The advertisement should encourage group purchasing and the positive effect of such purchase(security, acceptability of choice, championship etc.) and depict friendship situation. Theadvertisement should emphasize the situation in which the consumer may find his/herselfsuch as parties and dining out. Based on the finding it is advised that any advertisement for beerbrands should convey information about the advantages which the brand being advertised wouldoffer over other brands.

Since Quality influence was found to be significantly relevant to brand preference of beer, producers should in their advertisement emphasis the distinctive qualities (attributes) of their products.

Managers in the industry should implement policies that will address the external factors that affect customer satisfaction and should control strategically and use environmental factors such as competition and market saturation to ensure that they maintain customer's loyalty to their products and have a competitive advantage than their competitors.

The study reviewed empirical evidences on factors which determine beer brand preference in developing countries. The evidence shows that peer influence, situational factors, advertisements are among the major determinants which affect beer brand preference in developing countries including Africa. In Ethiopia empirical works show that weak brand loyalty or inconsistent beer preference due to weak market segmentation and product differentiation.

Future researchers should conduct more research on consumer dynamics in the breweries industry, principally on how consumers perceive satisfaction to provide information that mayallow for the evaluation of this study. Such an assessment will facilitate the understanding of consumer's behavior in the breweries industry.

### 5.3 Limitation of study

The study is not without limitations, which, however, future research can address the 32.2% remaining. The study also conducted to identify the generic factors that affect consumer's brand preference, didn't tried to identify why a particular brand is chosen by a particular consumer. The remaining 32.2 % of the extraneous variables are not explicitly known. Hence another researcher should work to identify the other factors that have a direct impact on consumer beer brand preference. The questionnaire which was distributed to collect data from respondents didn't consider Social and community outlets, where people with low income and price sensitive consumers are dominant. So, the finding of the research regarding price might not represent such kind of outlets.

### **5.4 Directions for Future Researches**

Future research can adopt more and different variables that might affect consumer's beer brand preference. The study was exclusive to beer industry and only one sector (industrial sector), so it is recommended to use different sectors and also it is recommended to turn this research into a basic research by making the population. It would be a great advantage to make comparative study with different products of breweries, industries and different beverage firms.

Beside the seven variables addressed in this study, any researcher can add additional variables and use the findings of this research as an input.

## 5.5 Summary of Hypothesis

H1. There is a positive effect of quality/performance on Consumer beer brand preference
Decision: Accepted
H2. There is a positive effect of price/value of money on Consumer beer brand preference
Decision: Accepted
H3. There is a positive effect of emotion benefits on Consumer beer brand preference
Decision: Accepted
H4. There is a positive effect of family and friends on Consumer beer brand preference
Decision: Accepted
H5. There is a positive effect of advertisement on Consumer beer brand preference.
Decision: Accepted
H6. There is a positive effect of place of origin on Consumer beer brand preference.
Decision: Accepted
H7. There is a positive effect of Corporate Social Responsibility on Consumer beer brand preference.
Decision: Accepted

Hence, it may be concluded that, all the hypothesises are accepted.

# References

Aaker, D. A., Batra, R. and Myers, J. G. (1992), *Advertising Management*, 4th ed, Prentice Hall, Englewood Cliffs, NJ.

Ali, MwanguluJohnester (2014). Factors Influencing Marketing of Alcoholic Beverages in Kenya.European Journal of Business and Social Sciences, Vol. 3, No.2, pp 122-153.

Alvarez, B. A. and Casielles, R. V. (2005), Consumer evaluations of sales promotion: the effect on brand choice, *European Journal of Marketing*, Vol. 39, No. <sup>1</sup>/<sub>2</sub>, pp. 54-70.

Arens, W.F. (2000). Contemporary advertising Califonia: Richard D. Irivin

Ayanwale, A.B, Alimini, T and Ayalambe, M.A (2005). The influence of advertising on consumer brand preference. *Journal of Social Science 10(1), 9-16* 

Ballantyne, R., Warren, A., and Nobbs, K. (2006), The evolution of brand choice, *Brand Management*, Vol. 13, No. 4/5, pp. 339-352.

Basler, R. P. (1953), Collected works of Abraham Lincoln, Vol. 1, New Brunswick, New Jersey: Rutgers University Press.

Bearden, W., Netemeyer, R. G., and Tell, J. E. (1989), Measurement of consumer susceptibility to interpersonal influence, *Journal of Consumer Research*, Vol. 15, No. 4, pp. 473-481.

Bentz, Y. and Merunka, D. (2000), Neural networks and the multinomial logit for brand choice modelling: a hybrid approach, *Journal of Forecasting*, Vol. 19, pp. 177-200.

Braglia, M. and Petroni, A. (2000), Stakeholders' influence and internal championing of product stewardship in the Italian food packaging industry, *Journal of Industrial Ecology*, Vol. 4, No. 1, pp. 75-92.

Bronnenberg, Bart J.; Dubé, Jean-Pierre H. and Gentzkow, Matthew (2010). The Evolution of Preferences Evidence from Consumer Migration. *American Economic Review 2012*, 102(6): pp. 2472–2508.

Bruen, J. (2002), Product liability: The role of the product steward, *Risk Management*, Vol. 49, No. 2, pp. 34-35.

Calantone, R. and Knight, G. (2000), The critical role of product quality in the international performance of industrial firms, *Industrial Marketing Management*, Vol. 29, pp. 493-506.

Charlton, P. and Ehrenberg, A. S. C. (1973), McConnell's experimental brand choice data, *Journal of Marketing Research*, Vol. X, pp. 302-307.

Ennew, C. T., Reed, G. V., and Binks, M. R. (1993), Importance-performance analysis and themeasurement of service quality, *European Journal of Marketing*, Vol. 27, No. 2, pp. 59-70.

Fornell, C., Johnson, M. D., Anderson, E. W., Cha, J. and Bryant, B. E. (1996), The American customer satisfaction index: Nature, purpose, and findings, *Journal of Marketing*, Vol. 60, pp. 7-18.

Hoyer, W. D. and MacInnis, D. J. (2004), *Consumer Behavior*, 3rd Edition, Boston: Houghton Mifflin Company.

Hruschka, H. (2002), Market share analysis using semi-parametric attraction models, *European Journal of Operational Research*, Vol. 138, pp. 112-225.

Keller, K. L. (1993), Conceptualizing, measuring, and managing customer-based brand equity, *Journal of Marketing*, Vol. 57, No. 1, pp. 1-22.

Kotler, P., Wong, V., Sanders, J and Armstrong.G. (2005).*Principles of Marketing* Harlow: Pearson Education Limited.

Lambert, Z. V. (1972), Price and choice behavior, *Journal of Marketing Research*, Vol. IX, pp. 35-40.

Mayhew, G. E. and Winer, R. S. (1992), An empirical analysis of internal and external reference prices using scanner data, *Journal of Consumer Research*, Vol. 19, June, pp. 62-70.

Miller, K. E. and Ginter, J. L. (1979), An investigation of situational variation in brand choice behavior and attitude, *Journal of Marketing Research*, Vol. XVI, pp. 111-123.

Mitchell, I. S. and Tomo, A. (2005) brand preference factors in patronage and consumption of Nigeria beer. *Columbia journal of world business* 20(1), 55-62

Orth, U. R., McDaniel, M. R., Shellhammer, T., and Lopetcharat, K. (2004), Promoting brand benefits: The role of consumer psychographics and lifestyle, *Journal of ConsumerMarketing*, Vol. 21, No. 4, pp. 31-47.

Park, C. W., Jaworski, B. J., and MacInnis, D. J. (1986), Strategic brand concept-image management, *Journal of Marketing*, Vol. 50, pp. 621-635.

Philip Kotler (2008), Marketing Management 12th Ed, New Delhi, Pearson Education, PP34-42

Quester, P. G. and Smart, J. (1998), The influence of consumption situation and product involvement over consumers' use of product attributes, *Journal of Consumer Marketing*, Vol. 15, No. 3, pp. 220-238.

Ramasut, Nattakarn and Saranpattaranon, Suteera (2009). A Study of Attitudes towards Beer Products In Bangkok. Malarde University, Sweden.

Ritter, Dave (2008). *Influential Factors On Brand Choice And Consumption Behaviors:* Requirements for The Degree of Master of Advertising; University of Florida.

Thompson, B. (1995), Stepwise regression and stepwise discriminant analysis need not apply here: A guidelines editional, *Educational and Psychological Measurement*, Vol. 55, No.4, pp. 525-535.

Thomson, M., MacInnis, D. J., and Park, C. W. (2005), The ties that bind: Measuring the strength of consumers' emotional attachments to brands, *Journal of Consumer Psychology*, Vol. 15, No. 1, pp. 77-91.

Xiaohua, L. and Germain, R. (2003), Product quality orientation and its performance implications in Chinese state-owned enterprises, *Journal of International Marketing*, Vol.11, No. 2.

Zeithaml, V.A., 1988. Consumer perceptions of price, quality, and value: A means-end model and synthesis of evidence. Journal of Marketing 52, 2*D*22.

# Appendix I. Research questionnaires English version

# St. Mary's University School of Graduate Studies Department of Marketing Management

### QUESTIONNAIRE

Dear respondent, first of all I would like to say thank you for your willingness to fill this questionnaire. The purpose of this research is to collect information on factors influencing Consumers beer brand preference in Addis Ababa, Ethiopia.

The information that has been gathered by way of this questionnaire will only be used for the purpose of a research being conducted in partial fulfillment of the Master's Degree in Marketing Management from St. Mary's University. Your anonymity will always be protected and the information you provide will always be kept confidential; it will not be used for any other purpose other than this research.

Beloved Respondents you are kindly requested to read each questions of the questionnaire and respond the correct answer by doing so you have contributed a lot to the success of this research. With this I would like to thank you for your time.

### Thank you for your cooperation in advance!!

For any Inquiry please call me by 0966935812

# INSTRUCTION: PLEASE TICK ( $\sqrt{}$ ) WHERE APPROPRIATE.

## I. DEMOGRAPHIC INFORMATION:

1.	Sex
	1. Male 2.Female
2	A re
2.	Age
	1.18-24 2.25-34 3.35-44 4.45-54 55 and above
3.	Marital status
	1. Single 2. Married 3. Divorced
4.	Occupation status
	1. Student
	2. gov't employee
	3. NGO worker
	4. Private business
5.	Monthly income:
	1. <1000
	2. 1001-2000
	3. 2001-3000
	4. 3001-4000
	5. >4000
6.	Which is your preferred Beer Brand?
	1. St George 2.Habesha 3.Dashen 4.Walia ta

## Part two

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

			1	2	3	4	5
R.no.	I.	quality/performance benefits	Strongly	disagree	neutral	Agree	Strongly
			disagree				agree

1	It has consistent quality.			
2	It is well made			
3	It has an acceptable standard of quality.			
4	It has good craftsmanship.			
	II. Price/Value for Money Benefits			
5	It is reasonably priced.			
6	It offers value for money.			
7	It is a good product for the price.			
8	It is economical.			
	III. Family or friends influence			
9	To purchase the real brand first I seen my family or			
	friends choice			
10	I use the brand when our family or friends recognizes			
11	To purchase the real brand			
	IV. Emotion Benefits			
12	It is a product that you enjoy.			
13	It makes you feel relaxed.			
14	It makes you feel good.			
15	It eliminates all fear.			
16	It soothes you.			
17	It eliminates all anger.			

	V. Advertisement			
18	It is attractive			
19	It is influential to me			
20	It creates image on my mind			
21	It is easy to understand the message			
	VI. Place of Origin			
22	It symbolizes where I'm from			
23	I give priority for a beer where I born or Lived in			
24	Creates job opportunity for the locals			

	VII. Corporate Societal Responsibility					
25	Cares for the society					
26	Donate for the Poor					
Par	t three	1		1		L
	Brand preference	S.D.A	D.A	N.	A.	S.A
27	I really love this brand					
28	This Brand is special to me					
29	This Brand is more than a mere product to me					
30	This brand gives me a sense of belongingness					
31	This is a brand used by people like me					
32	I feel a deep connection with users of same brand					
33	I would love to speak about this brand to others					
34	I am interested in learning more about this brand					
35	I would be interested in merchandise of this brand name					
36	I am proud to have others know I use this brand					
37	I follow this brand closely					

Thank you for your participation in this study and remember if you do drink, then please drink responsibly!!!

# **Appendex II. researchquestionniers Amharic version**

## <u>በቢራደምበኞችየሚሞላመጠይቅ</u>

በቅድሚያይህንመጠይቅለመሙላትፈቃደኛበመሆንዎየከበረምስጋናዬንአቀርባለሁ፡፡ የዚህመጠይቅዋናዓላማበአዲስአበባከተማየሚ*ገኙ*ቢራተጠቃሚዎችየሚጠቀሙትንብራንድ (ቢራ) የሚመርጡባቸውየመምረጫምክንያቶችለማ**ዋናትለሚደረ**ገውዋናትመረጃመስብሰብነው፡፡

በዚህመጠይቅየሚሰበሰበውመረጃበቅድስትማርምዩኒቨርስቲየገበያጥናትአስተዳደርዲፓርትመንትለድህረምረቃማሚያለሚጠና የመመረቂያጽሁፍጥናትግብዓትብቻየሚውልሲሆንለሌላለማንኛውምዓይነትአገልግሎትአይውልም፡፡ እርስዎየሚሰጡትመረጃከማንነትዎጋርበማይገናኝመልኩስምዎሳይታወቅየሚሰጡትመረጃምበምስጢርየሚጠበቅይሆናል፡፡

እያንዳንዱንግላዊጥያቄበሚገባበማንበብናበመረዳትትክክለኛውንመልስበመስጠትእንዲተባበሩንእየጠየኵየእርስዎመረጃለሚጠ ናውጥናትየሚኖረውፋይዳከፍያለመሆኑንእገልጻለሁ፡፡ውድጊዜዎንሰውተውለጥናቱስለተባበሩእጅግበጣምአመሰግናለሁ፡፡ በመልስዎላይየェምልክትያድርጉ!

## <u>ለማንኛውምጥያቄእባኮበዚስልኪይደውሉልኝ 0966935812</u>

## <u>ክፍል 1.ግላዊጥያቄዎች</u>

1.	ፆታ፡ 1. ወ				
2.	ዕድሜ				
	1.h18-24	2.h	3.h35-44		
	4.h45-54	5e.			
3.	የጋብቻሁኔታ	:			
	1 <i>.</i> ያላንባ		3.የተፋታ		

## 4. የስራሁኔታ፡

ያለመስማጣት/የመስማጣትደረጃዎች						

59

እባክዎሀሳብዎንበሚገልጸውቁጥርላይየ x ምልክትበማድረግመልስዎንይስጡ፡፡

ቁጥሮቹበጨመሩቁጥርየእርስዎንበተቀመጠውመመዘኛየመስማማትመጠንይጨምራል።

''በጣምእስማማለሁ'' እስከሚለውድረስበቁጥርተወክለውተቀምጠዋል።

የሚመርጡባቸውየመምረጫምክንያቶችለማ**ጥና**ትነው። ከእያንዳንዱለመለኪያነትከተቀመጠውመመዘኛሀረግወይምአረፍተነገርፊትለፊት ''በጣምእቃወማለሁ'' ከሚለውጀምሮ

ከዚ<del>ህ</del>በታ**ችየተዘረዘሩት**መለኪያዎችበአዲስአበባከተማየሚ*ገኙ*ቢራተጠቃሚዎችየሚጠቀሙትንብራንድ(ቢራ)

h

1. ተማሪ 2ገስትሰራተኛ
3. መንባስታዊያልሆነድርጅትሰራተኛ
4. የግልቢዝነስያለው
5. ወርሃዊየነቢመጠን
1. ከ1000 በታች 3 000
2. 1001-2000
6. የሚጠቀሙትየቢራአይነት
1. ቅዱስጊዮርጊስ2. ሐበሻ3.ዳሽን4.ዋልያ5.ሜታ
ነፍል 2.

		1	2	3	4	5
መመ	ዝኛአረፍተነገሮች	በጣምእቃወ	እ <i>ቃወጣ</i> ለሁ	አል ቃወምም/	እስማማለሁ	በጣምእስማ
		ማለው		አልስማማም		ማለሁ
	የመረጥከው ብራንድ (ቢራ) ከተራትአኳያ					
1	የማይዋዥቅጥራትአለው፡፡					
2	አዘ <b>ነጃ</b> ጀቱደረጃውንየጠበቀነው።					
3	<i>ዕውቅ</i> ናናተቀባይነትያለውየ <b>ጥራትደረ</b> ጃያሟላል።					
4	በዯሩባለሙያየተዘጋጀነው፡፡					
	የመረጥከውብራንድ (ቢራ) ከዋጋአኳያ					
5	ዋጋውምክንያታዊነው፡፡					
6	ላስንኘውጥቅምየተከፈለውንንዘብተመጣጣኝነው፡፡					
7	ዋ,ጋውከምርቱአንጻርተገቢነው፡፡					
8	ዋ,ጋውአቅምንያገናዘበነው።					
	የመረጥከውብራንድ(ቢራ)ከቤተሰብእናከጻደኛሰዎች					
	ተጽእኖአኳያ					
9	ትክክለኛውንብራንድለመግዛትበመጀመሪያቤተሰብ					
	ወይምጓደኞቸየሚ <sub>ጠ</sub> ቀሙትንአይቸነው					
10	እኔየምጠቀመው ብራንድቤተሰቦቸወይም ጻደኞቸእው -					
	ቅናየሰጡትንነው					
11	ቢራከመጠቀሜበፊትከጓደኞቼወይምከቤተሰቦቼየተ 					
	ሻለብራንድየቱእንደሆነጠይቄነው፡፡					
	የመረሞከውብራንድ (ቢራ) ከሚሰጠውስሜትአኳያ					
12	ደስታንየሚፈጥርምርት (ብራንድ) ነው፡፡					
13	ዘናእንድልያደርንኛል፡፡					
14	<u> </u>					
15	ፍርሃትንያስወግዳል፡፡					
16	<i>ያረ,ጋ,2</i> ል።					
17	የውስጥቁጣንያስወግዳል፡፡					
	ለመረጥከውብራንድ (ቢራ) ከማስታዎቂያተጽእኖ					
18	ሳቢናማራኪመሆኑ።					
19	ተጽእኖማሳደርየሚቸልስለሆነ፡፡					

ያለመስማማት/የመስማማትደረጃዎች						
		1	2	3	4	5
መመ	መመዘኛአረፍተነገሮች		እቃወማለሁ	አል,ቃወምም/አል	እስማማለሁ	በጣምእስ
		እ <i>ቃወማ</i> ለሁ		ስማማም		ማማለሁ
1	የመረጥኩትንብራንድበጣምእወደዋለሁ፡፡					
2	የመረጥኩትብራንድለእኔየተለየነው					
3	የመረዋኩትንብራንድከሌሎችብራንዶችይለይብኛል፡					
	:					
4	ብቸኝነትንከእኔያር.ቃል፡፡					
5	የመረጥኩትንብራንድየሚጠቀሙሰወዥየእኔዓይነትሰ					
	ዎዥናቸው፡፡					
6	የመረዋኩትንብራንድከሚጠቀሙሌሎችሰዎችጋርየ					
	ጠበቀግንኙነትአለኝ።					
7	ስለመረጥኩትንብራንድለሌሎችስዎችማውራትእወዳ					
	ለሁ።					
8	ስለመረጥኩትብራንድየበለጠለማወቅፍላንትአለኝ፡፡					
9	በዚህብራንድውስጥድርሻቢኖረኝደስይለኛል፡፡					

## የብራንድንምር*ጫ*በተመለከተ

ክፍል 3.

20	አይረሴእናምስልፈጣሪበመሆኑ፡፡			
21	መልዕክቱንለመረዳትቀሳልስለሆነ፡፡			
	የመረጥከውብራንድ (ቢራ)			
	ከተመረተበትአካባቢአኳያ			
22	የመጣሁበትንስፍራይንልጽልኛል			
23	በአካባቢዬለሚመረትቢራቅድሚያእሰጣለው			
24	ለአካባቢውሰውየስራእድልይፈጥራል			
	የመረሞከውብራንድ (ቢራ)			
	ለህብረተሰቡከሚሰጠውጥቅምአኳያ			
25	ለህብረተሰቡደህንነትያስባል			
26	ለድሆችይለግሳል			
10	ይህንንብራንድመጠቀሜንሌሎቸሲያውቁልኝኩራት			
----	----------------------------	--	--	--
	ይሰማኛል፡፡			
11	ከዚህብራንድጋርያለኝንግንኙነትእቀተላለሁ፡፡			