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ST.MARY'S UNIVERSITY

SCHOOL OF GRADUATE STUDIES

**FACTORS AFFECTING CONSUMER SMART PHONE PREFERENCE: FOR
INTERNATIONAL VERSUS LOCAL ASSEMBLED BRAND IN ADDIS ABABA**

BY

NARDOS WOLDU

June, 2021

ADDIS ABABA, ETHIOPIA

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**A THESIS SUBMITTED TO ST. MARY'S UNIVERSITY COLLEGE, SCHOOL
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June, 2021

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DECLARATION

I, undersigned declare that this thesis is my original work prepared under the guidance of ZEMENU AYNADIS (Assit Prof). I further confirm that the thesis has not been presented for a degree in any other university. All sources of materials used for the thesis have been duly acknowledged.

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ENDORSEMENT

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

Zemenu Aynadis (Assistant Prof.). _____

Advisor Signature

St. Mary's University, Addis Ababa

June, 2021

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List of Acronyms

ECR:	Ethiopian customers and Revenue Authority
ER:	Exchange rate
MOTI:	Ministry of trade and industry
PPP:	Purchasing power parity
WOM:	Word of Mouth

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Abstract

The primary objective of this study was to investigate factors affecting consumer smart phone preference for international versus local brand specifically in Addis Ababa. Factors such as brand name, price, reference group, social influence were used as independent variables. Hence, this study tries to answer whether consumers prefer foreign smart phone brands to tecno brands due to the influence of western culture. This study used explanatory research designs in order to conduct the study, the research was designed in quantitative research approach methods and the data was collected from primary data sources. while the primary data was collected through questionnaire analyzed through both descriptive and inferential methods. The descriptive analysis was conducted by using mean, frequency and percentage. On the other hand, inferential analysis was conducted by using regression and correlation analysis method. This study has identified the significant effect of the factors used in the study on consumers' smart phone preference for international versus tecno brand in Addis Ababa. The researcher used local brand limited on tecno smart phone device based on the analysis, consumers those who live in Addis Ababa overwhelmingly prefer international brands rather than tecno mobile phone brands. The analysis revealed that new technology applications, product attributes and price were the major criteria for a mobile phone preference decision among the consumers. Concerning the individual factors, the study has found out positive and significant effect of brand name, price and social influence. However, effect of reference group is insignificant in affecting consumer preference for smart phone international versus tecno brand in Addis Ababa. Finally, the study recommends that tecno mobile phone have to concentrate on creating social influence, popular brand name and fair price which deserve smart phone such as well designed, that have big screens new technological application attractive color

Keyword: consumers' preference, Smartphone's, International versus local brand,

CHAPTER ONE

1.1 Background of the study

The world economy had undergone a radical transformation in the last two decades. Geographical and cultural distance has shrunk significant with the advance that has permitted companies to widen substantially both their market and supplier sources. At the same time the global market is expanding, domestic trade blocks were emerging for giving preferential treatment to goods that was made in the country. Consumer preference has a significant influence (Kotler, 1999).

It is clear that consumer consumes their product for instance domestic product compared to imported ones. It leads to the development of the country because it increases both revenues of government and the industries at the same time it will be mutual benefit if consumers consume domestically produced products this leads to increase the production capacity of domestic producers in order to satisfy the increased demand of domestic consumers. This increase revenue of the producers through many sellers, and revenue of the government through taxes paid by the producers. The increased government revenue can be used of provision of various activities like infrastructure such as roads, health services governmental schools etc. However, imported one's control in Ethiopia most of the consumers consume imported product, most market found in Ethiopia. Almost all products that controlled domestic market are made in china (main land), United States and Soud Arabia, India (ECRA, MOTI, 2009/10).

The study was conducted on factor affecting consumer smart phone preference for international versus local brand in the case of Addis Ababa) which is found in the capital city of Ethiopia. The people found in that area consumes the product of both domestic and imported product for many years. Now a time almost all consumers found in the town consumes imported smart phone devices considering many factors such as price, features, quality, brand name, durability, fashinonability, social factors and so on.

There are various research studies conducted the above listed factor that affect consumer preference should have to improve to come up with a variety of smart phone devices with different brands and features to lead mobile phone importer companies (Li 2010; Zheng, 2007; Zhang, 2006; Huang, 2004).

The government plays an important role in trying to discourage the consumption of

imported products and improve the consumption of domestic products through imposing tariffs on imported product and restricting the amount of imported product (import quota). This could be by devaluing domestic currency. The immediate effect of a devaluation of the ER is to make domestic goods competitive in relation to purchasing power parity. As domestic goods become more competitive compared to foreign goods there is an increase in the demand for the domestic currency. The competitive advantage of devaluation means that the BOP moves in to surplus as domestic residents demand less foreign goods /services, while foreigners demand more domestic goods (Keithpilbeam, 1998)

The introduction of mobile phones is a recent technological occurrence in Ethiopia. Mobile phone services were started in the country in 1999 with a capacity of 36,000 lines in Addis Ababa (Ethiopian Telecommunication Corporation, 2005). By the end of 2012, the number of subscribers reached about 20 million (ITU). Ethio telecom mobile services include; prepaid service, satellite mobile service, international mobile roaming services, short message services (SMS), call diverting, call barring as well as call waiting services.

However, in 2003, with the introduction of prepaid mobile service, customers were allowed to buy their own handsets (Ethiopian Telecommunication Corporation, 2005). Advances in the mobile technology and the availability of different mobile brands has provided the Ethiopian consumer with a wide variety of choices be it low-end brands to prestigious brand of Smart phones. This paved the way for many international brands into the market such as Nokia, Samsung, and Motorola and recently Smartphone like iPhone and Samsung galaxy are a common sight among the Ethiopian mobile phone users. Alongside the international brands, locally assembled phones have also emerged to compete for the market share of Ethiopian mobile phone users. These locally assembled mobile phone brands include Tecno, SMADL, Tana, and Geotel.

In recent years, cell phones have gained popularity among a wide variety of users in Ethiopia. The usage of cell phones is particularly spreading among the younger generation (Meredith and Schewe, 2002). Young Ethiopians favor this technology in the daily activity of communication. Most of the people use their mobile phones to interact with people of similar age group as well as interest by means of texting, phone call, surfing the internet and social media. However, not much is known about consumer preference when it comes to international manufactured and locally assembled mobile phone brands and their sales research conducted in this area and hence creating a research gap.

The main objective of this research is to investigate mobile phone feature preferences among male and female respondents in Addis Ababa. In conjunction with this conceptualization of the feature preferences is studied as well as their relationship to customer satisfaction and repurchases intent of the mobile phone. This research has tried to identify that the imported device brand was prefer over the domestic brands as the overall results suggest that the people liked most of the features of those brands which is the imported brand say Samsung, I phone and Nokia etc. Other than, this all four factors such as color choice preference, brand image preference, Smart Features and fashionabilty are all significant. Many factors people initiate in their reflection while they prefer to resolve their preference of mobile device.

Consumer behavior defined as the behavior that consumers display in searching for, purchasing, using, evaluating, and disposing of products and services that they expect will satisfy their needs. Consumer behavior focus on how individuals make preference decision to spend their available resources (time, money& effort) on consumption related items. (Schiffman&kanuk, 1997)

1.2 Statement of the problem

Domestic products were a backbone of the economic strength of one country. One country exports its own product after satisfying consumption in the country. For instance, our country Ethiopia exports many primary products like coffee. However, various products that were produce domestically in the country are not preferable by Ethiopian people. For instance, smart phones that are produced by domestic producers are less preferable because of their less quality and less features than that of the imported ones. Most of the time consumers will prefer imported smart phone devices like Samsung, Nokia, iPhone rather than Tecno and Geotel devices.

Advanced communication and information system technology have reduced distance, thereby making the flow of information around the world easier and accessible. As the world is turning into a global village, new products from abroad are finding their way into the country. The Ethiopian consumer is now more aware of other cultures, lifestyle and brands due to satellite television and social media. This trend is more visible when it comes to youngsters. This group of consumers in particular is more aware of the latest technology and follow trendy fashions.

Young consumers are becoming more interested to buying international brands than local brands since the influence by the western world is becoming stronger (Samiee S, 1994). Consumers of developing countries prefer foreign brands, especially from the west, not only of perceived quality but also as indication of social status (Al-Sultaiti et al., 1998). Thus, a brand's country of origin serves as prove of product quality and people buy such brands for status enhancing reasons (Al-Sultaiti et al., 1998). Consumers of developing countries also view foreign smart phone brands as having superior and excellent quality compared to local brands. Therefore, this study intends to examine if this phenomenon also applies to peoples in Addis Ababa as well.

Marketing is the creation and adaptation of products and services to provide greater utility or value to consumers than do competing products and services. Marketing involves selection of potential customer's target markets and management of the marketing mix (product, price place and promotion). (Philip Kotler, 1999)

A consumer is an individual who purchases goods and services for self-gratification. Self-gratification may result from using the purchases such as the enjoyment obtained from eating a chocolate candy bar or watching a rented video tape. (Matin Khan, 2006)

People now a days have unlimited wants on product and service, some more, their attitudes and behavior often changed and elastic on price rise or low. Even if they want to make a decision on buying product, they also have rational choices. Seeing as now existing market has numerous of consumer, too wide and their needs are differing from one to another one, and thus marketers today are really found it difficult to understand these differences with consumer behavior towards their brand and product. As a result, it is vital that marketers need to work hard on identifying their target customers' needs and adapt various marketing strategies to reach their needs. Thus if they could not do so can influence company profit and sales on their product and service. (Schiffman, L, 2000).

An understanding of consumer behavior is undoubtedly the single most important resource a marketing manager can bring to the analysis of any marketing-problem. Unfortunately, such an understanding is not gained easily. Consumer's behavior in the case of product preference is an extremely complex phenomenon, depending, in any particular situation, on individual, group and socio-cultural factors.

Due to the emergence of globalization and liberalization, a number of global players are entering into Ethiopia and creates a stiff competition huge gap among the variety of private

local smart phone device producers. So that it was clear that if consumers of one country consumes domestic product, then it leads to the development of the country. When all of the society of one country consumes the domestic product, this leads to increase the revenue of the domestic producers. Increase in producer's revenue means increase the revenue of the government through tax paid by the producers for the country improvement. The collected tax from this producer by the government was used for the infrastructure of the society.

1.3 Research question

In this study, the following questions were answered.

- What are the major factors that affect the consumers brand preference?
- Why do consumers prefer imported or Tecno phone device?
- What is the preference of consumers toward smart phone devices based on country of origin?
- What are the effects of product features and price on consumers' preference for imported smart phones in Addis Ababa?
- Does brand equity of the mobile phone products (brand awareness) influence consumer preference?

1.4 Objectives of the study

1.4.1 General objective

The general objective of the study was to investigate factors affecting consumer smart phone preference for international versus local assembled brand in Addis Ababa.

1.4.2 Specific Objective

The specific objectives of this study aimed at the following objectives: -

- To explore the effect of the imported brand names on consumer buying behavior of smart phone device.
- To identify the reason of consumer mobile device choice between imported and Tecno smart phone.
- To identify factors that affect consumer preference.
- To identify the effect of price and product features on consumer buying behavior of imported and domestic phone device.

- To assess how brand equity of brands influence consumer preference of smart phone device?
- To identify factors that drive consumer preference of mobile phones.

1.5 Significance of the study

This study will be important to local producers of smart phone device to find out what they need and want through creating products, supplying mobile device for the country to generate income and by creating loyal customers for the long run relationship through identifying consumer buying consideration of mobile phones type, feature, quality etc. The identification of consumer preference towards mobile phone device brand will assist local companies to develop an effective marketing strategy and to help them compete effectively against foreign brands in the market. Therefore, the government, which is mutual benefit through generating money from tax paid that, is essential for the developing countries like us. Finding of the study will be useful and important among consumers and academician as an input for doing similar research in this field in the future.

1.6. Scope and Limitation of the Study

1.6.1. Scope of the Study

The study is focused on the assessment of factors that influence preferences of consumers on imported and tecno smart mobile phone device. There are many local brands, which is Tana, Geotel, Tecno whereas this study limited only on tecno brand smart phone.

1.6.1.1. Geographical Scope

The study geographically limited to city of Addis Ababa on the selling areas of market place like Megenagna, and Merkato.

1.6.1.2. Conceptual Scope

The preference of consumers can be affected by many factors among that price of the product, quality of the product; fashinonability, durability of the product etc...

The basic aim of the study was limit to the identification or filtration of factors that affect preference of consumers for smart mobile phone device from tecno and imported device for instance, device that are imported from china and produced in the country. Due to the current pandemic case (Covid19), and lack of money difficult to maintain large number of

population to the whole part of Ethiopia.

1.6.1.3. Methodological Scope

This study can be further analyzed in terms of different dimensions as if consumer preference among different ethnicities, gender, and income level as well as various factors consumers prefer mobile brands since this is not included in this study.

The study used primary data was collected through questionnaire conducted through explanatory design. Convenience method allows the researchers to choose who, where, and when to collect data and quantitative methods are more appropriate for large scale analyzed through both descriptive and inferential methods.

1.6.2. Limitation of the Study

One of the major limitations of this study is the sample coverage. The population of the study will be on consumer's those who live in Addis Ababa that have a smart mobile phone. This study is departure of tolerable with regard to studies that were conducted on consumer preference toward imported and Tecno smart phones device in Ethiopia Addis Ababa.

Since, this target population is very large so that only consumer found in merkato and megenagna shopping area will be considered. Taking only two shopping area might not represent or reflect the consumer preference of all Addis Ababa populations. However, due to financial limitations and to reduce contact because of covid 19 other consumers are not included in this study.

1.7 Organization of the study

This study consists of five chapters. The first chapter is the introduction, which consists of background of the study, statement of the problem, objective of the study, significance of the study, scope of the study, limitation and organization of the study. The second chapter deals with review of relevant literature dealing with previous studies and literatures relevant to the study includes theoretical and empirical evidences related to consumer preference towards imported smart phone device rather than domestic once. The third chapter explains about the methodology research design, research approach, and target population, source of data in sampling technical methodology of data collection, data analysis and interpretation. The forth chapter deals about data analysis, interpretation and discussion and the last chapter includes about summary of finding, conclusion and recommendation.

CHAPTER TWO

2.1 REVEIW OF RELATED LITERATURE

2.1.1 Theoretical Literature review

2.1.1.1 Marketing Concept

An important part of the marketing process is to understand why a consumer or buyer makes a purchase. Without such an understanding, businesses find it hard to respond to the customer's needs and wants. For a marketing manager, the challenge is to understand how customers might respond to the different elements of the marketing mix that are presented to them. If management can understand these customer responses better than the competition, then it is a potentially significant source of competitive advantage (Schiffman Leon G. & Kanuk Leslie Lazar, 2000).

Each consumer is unique and this uniqueness is reflected in the consumption pattern and process of purchase. The study of consumer behavior provides us with reasons why consumers differ from one another in buying using products and services. A consumer receives stimuli from the environment and the specifics of the marketing strategies of different products and services, and responds to these stimuli in terms of either buying or not buying product. In between the stage of receiving the stimuli and responding to it, the consumer goes through the process of making his decision (Blackwell Roger D., Miniard W. Paul & Engel F. James, p 5, 2003).

What we buy, how we buy, where and when we buy, in how much quantity we buy depends on our perception, self-concept, social and cultural background and our age and family cycle, our attitudes, beliefs, values, motivation, personality, social class and many other factors that are both internal and external to us.

It's the idea of mix of marketing, marketing function was concaved by a professor Neil boarder of the Harvard business school as a schematic plan to guide analysis of marketing problems through utilization of

List of important forces emanating from the market, which bears up on the marketing operations of an enterprise.

A list of elements (procedures and polices) of marketing programs.

J.Baker (1998) states that the marketing mix refers to the appointment of efforts; the combination the design and the integration of the elements in to program or mix which on

the basis of appraisal of market forces will achieve the objectives of an enterprise at a given time.

Product

According to Notler (2004) description product is anything that can be offered to the market for attention, acquisition, use or consumption that might satisfy want or need.

Marketers usually classify these products as convince product (consumers product that the customer usually buys frequently, immediately and with minimum of comparing and buying effort, shaping products (consumer goods that the customer are in the process of selection and purchase, characteristically companies on such basis as a suitability, quality, price and style), specialty product (consumer products with unique characteristics or brand identification for a significant group of buyers is willing to make a special purchase effort) and unsought product is a product consumer know about but does not normally think of buying.

Pricing

As Kotler (2004) suggested, pricing decision is subject to an incredibly complex array of environmental and competitive forces. Company set a net single price but other pricing structures that covers different items in its line. This pricing strategy changes our times as products move through their life cycles. In narrowest sense, price is the amount of money charged for a product or service more broadly; price is the sum of all the values that consumers exchange for the benefits of having or using the product and services.

Historically prices have been the major factor affecting the buyer preference. This is still true in poorer nation. Among poorer groups and with commodity products price is different from other market mix elements because it provides revenue where as others are create cost, it is the most flexible elements of marketing mix.

Companies or business organizations set their pricing by selecting general pricing approach that include one or more of the three sets of factor such as:

Cost based approach, cost plus pricing, break even analysis is on target profit pricing.

1. The buyer based approach (Value based pricing)
2. The competition based approach (going rate and scaled bid pricing):
3. Cost based pricing- adding a standard mark up to the cost of the product.

Value based pricing uses buyer's perceptions of value, not the seller's cost, as the key to pricing. Value based pricing means that the market cannot design a product and marketing

program and then set the price.

Competition based pricing: - consumers will base their judgments of a product's value on the prices that competitors charge for similar products one form of competition based pricing is going- rate pricing, in which a firm based its price largely competitor's prices, with less attention paid to its own costs or to demand. The firm might charge the same as more than or less than its major competitors might.

2.2 Factors to consider when setting prices

2.2.1 Internal factors affecting pricing decisions

Internal factors affecting pricing include the company's marketing objectives, marketing mix strategy, costs and organizational considerations.

Marketing mix strategy – price is the only one of the marketing mix tools that a company uses to achieve its marketing objectives. Pricing decisions must be coordinated with product design, distribution and promotion decisions to form a consistent and effective marketing program.

Decisions made for other marketing mix variables may affect pricing decisions.

Costs – costs set the floor for the price that the company can charge. The company wants to charge fair rate of return for its effort and risk. A company's costs may be an important element in its pricing strategy.

Organizational considerations – management must decide who in the organization should set prices. Companies handle pricing in a variety of ways. In some companies, prices are often set by top management rather than by the marketing or sales departments.

2.2.2 External factors affecting pricing decisions

External factors that affect pricing decisions include the nature of the market and demand, competition and other environmental elements.

a. The market and demand – whereas costs set the lower limit of prices, the market and demand set the upper limit. Both consumer and industrial buyers balance the price of a product or service against the benefits of owning it. Thus, before setting prices, the marketer must understand the relationship between price and demand for its products.

b. Competitors' costs, prices and offers – another external factor affecting the company's pricing decisions is competitors' costs, prices and possible competitor reactions to the company's own pricing moves.

Other external factors- when setting prices, the company also must consider other factors in

its external environment. Economic conditions can have a strong impact on the firm's pricing strategies. Economic factors such as boom or recession, inflation, and interest rates affect pricing decisions because they affect both the costs of producing a product and consumer perceptions of the product's price and value.

Distribution

According to (Baker 1998) description, for a general term distribution includes every function concerned with the transferences of good from the point of origin unit they come into the possession of final buyers, includes transportations, storage, and merchandizing, promotions of outlets stocking or dealing in a designated product.

Place

Place is the environment in which the service is as stabled and where the firm and customer interact and tangible commodities which facilitate performance or communication of the service. Place as a number of aspect of concern to the service. All of these aspects vary in important of courses depending out service offered and preferred channels of distribution of the service marketers. As far as the premises are concerned, the client will be searching, for physical dues in assessing the success of the company. (Bowman 1996)

Promotion

Based on (Philip Baker & Arm Strong 2004) explanation, promotion is the other important marketing mix element. Modern marketing calls for more than just developing a good product, pricing it attractively and making it available to target customers. Companies must also communicate with current and prospective customers what they communications should not be left to chance a consistent and coordinated communications programs.

2.3 The importance of understanding consumer behavior

Consumer behavior defined as the totality of consumers' decisions with respect to the acquisition, consumption, and disposition of goods, services, activities, experiences, people, and ideas by (human) decision-making units over time (Wayne D. Hoyer & Deborah J. MacInnis, 2008).

Consumer behavior consist of the process by which individual decide whether, what, when, how, where and from whom to buy goods and services. Successful marketing must not only be knowledgeable about what target consumer want also be able to predict changes in these wants over time. Consumer behavior changes constantly and companies that do not adjust to

these over altering desires can easily lose their competitive advantage (Kotler, 1999)

2.4 The theory of consumer behavior

The traditional theory of demand starts with the examination of the behavior of the consumers, since the market demand is assumed the summation of the demands of individual's consumer (A. Koutsoyiannis, 1979). Consumer's preference is attitude, which determines consumer choice between alternative commodities or groups of commodities. When good x (product x) is preferred to good y (product y), it will have greater the buyer, so that the allocation of expenditure between these alternatives will in free market economy, be determined by consumer preferences and their relative prices, (Graham Bannock, 1998).

Consumer preferences may change independently with say fashion or may be influenced by advertising and other forms of sales promotion as well as by the availability of new goods arising from technological progress (technology). Although preferences are something economists takes as given, and makes no value judgment about, at the same time preferences are assumed consistent and rational in certain ways (indifference curve analysis, revealed preference; transitivity Graham Bannock, 1998).

Consumer behavior describes how consumers make purchase decisions and how they use and dispose of the purchased goods or services. The study of consumer behavior also includes an analysis of factors that influence purchase decisions and product use (Michael R. Solomon, 2003).

Understanding consumer purchasing behavior allows companies to more easily provide for consumers' needs and more easily promote the company's products and services. Understanding consumer behavior leads to marketing success. Consumer behavior is constantly changing, and companies should identify consumer trends for their competitors do in order to strengthen the organization's sales. Companies focus on consumers because consumer demand, or spending, is approximately two-thirds of the gross national product. (Kotler & Armstrong, 1999)

2.5 Majority trends in consumer Behavior

Consumer behavior is subject to constant change over time. Marketers should stay abreast of trends in consumer behavior, as these trends can have a significant impact on the success of their future strategies. There are some major trends currently apparent that can have strong implication for marketers. These include:

- Increasing desire for convenience in shopping and buying.
- Demand for higher-quality merchandise.
- Demand for products and services that meet the specific needs of particular consumer.
- Fewer tendencies to pay attention to advertisement and other promotion pieces.
- Increased fickleness (lack of brand and store loyalty)
- More emphasis on getting offerings at a discount.
- A self-concept that is based more on what one does off the job than on one's occupation.
- More informed buying.

Various theories of consumer behavior assist marketers in understanding the consumer. There are many different theories, each of which helps explain certain aspects of consumer behavior. This section will look at the economic, psychological, and sociological theories of consumer behavior (Peterson, 1989).

2.6 The economic theory of consumer behavior

The economic theory assumes that consumers are logical, fully aware of their needs and wants, and able to find the best way of satisfying these needs and wants. According to this theory, consumers will buy items having the most utility i.e. capacity to satisfy needs- in relation to their costs and the consumers' financial situation.

2.7 The psychological theories of consumer behavior

Psychology is the study of individual behavior. This field of study has produced several key insights into consumer behavior.

2.8 The sociological theories of consumer behavior

Sociologists study the behavior of groups. Since every consumer belongs to a number of groups, this field is useful in explaining consumer behavior. If we know to what groups consumers belong, we can use this knowledge to help us in understanding what they do.

Consumer behavior is “the study of individuals, groups or organizations and process they use to select, secure, use and dispose the products, services, experiences or ideas to satisfy needs and the impacts that these processes have on the consumer and society” (Mullen, 1995)

Consumer decision making regarding purchase and utilization of different products and services is influenced by many internal as well as external factors. Among the external factors, the most important and significant are the attributes of the product itself, the brand and package in which it is incased. Attributes are those descriptive features that characterize a product or service-what a consumer thinks the product or service is? Or what is involved with its purchase or consumption?

Product related attributes are the functions of the product or service. Non product related attributes are the external aspects of the product or service that relate to its purchase or consumption, like the information, packaging or product appearance, user imagery and using imagery (Mullen, 1995).

Consumer buying behavior is affected by many socio cultural factors like social class, demographics, personality, beliefs etc. However, besides these, the product itself also makes their decision for them because of the message it transmits, the visual impact it makes, the significant colors and logo of the brand, the brand image and awareness, and the price.

Price is a particularly important attribute association because consumers often have strong beliefs about the price and value of the brand and may organize their product category knowledge in terms of the price tiers of different brands (Hawkins, Best, & Lonny, 1995).

The buying behavior of consumers is not altered by small-scale changes in income increase or increased demand etc., but major changes like economic stability of the country, or changed perception of consumers would lead to the alternation in buying behavior (Berkowitz, 2000).

The country of manufacture and product quality strongly influences consumer decision making in globally available product categories. Specifically, compared to imported product (goods) consumer appear to prefer domestically manufactured goods and are often willing to pay a higher price for them. It is usually only when imported goods are of significantly superior quality that consumers will pay more to obtain them. Finally, in their purchase decisions, consumers appear not to put much weight on a product's perceived importance to the home country's manufacturing base (Knight GA, 2000).

Customer behavior is never constant. It changes over time and these changes are clues to the future. These changes over time are known as the customer life cycle (Mir, 2007).

2.9 Consumer buying decision process

Marketers should understand the process that consumers follow to purchase their goods and services in order to successfully use all elements of the marketing mix. Consumers typically follow a purchasing process sequence of steps. Consumer buying decision process consists of a series of processes or steps, beginning with a felt need or want arising from either internal or external services and terminating with a confirmation of the decision. The need may be an urgent or compelling one, demanding immediate satisfaction; or it may be one for which the satisfaction can be delayed or postponed. In any event a tension is created which eventually must be quit. In order to further understand the decision making process study has taken the consumer buying decision-making process model from David Jobber (2007).

Figure 2. 1 *Consumer decision-making process*



Source :(Jobber D. (2007)

Need recognition:

According to Jobber D. (2007), the need recognition is essentially functional and recognition may take place over a period. This occurs whenever the consumer sees a significant difference between his or her current state of affairs and some desired or ideal state. The need can be triggered by internal stimuli or by external stimuli. Internal stimuli can trigger a need when one of the individuals' normal needs like hunger, thirst shelter raises to a level high enough to become a drive. From previous experience, the individual has learnt how to cope with this drive and is motivated towards objects that will satisfy the need.

External stimuli can also trigger a need. In this instance, the marketer needs to determine the

factors and situations that usually trigger consumer need recognition. The marketer should research consumers to investigate what kind of need or problem arises and what brings a consumer to prefer one brand over the other. In this stage of the consumer buying process the consumer perceives there is a problem to be solved, which may be large or small, simple or complex. In this study mobile phone is viewed as the product, which will satisfy university students' need for telecommunication in their day to day activities.

Information search

The information search begins with the identification of alternatives ways of gathering information about the product consumer intend to purchase (Jobber D., 2007). The consumer surveys his or her environment for appropriate data to make a reasonable decision by the process. Normally, the amount of information searching activities of a consumer depends on the type of product which either require high involvement or low involvement. For a product that requires high involvement there might be a significant difference between brands, which require an immense effort, or insignificant differences between brands, which leads to dissonance, reducing buying decisions.

The consumer can acquire information regarding a particular product from various sources. These sources include personal sources like family and friends, commercial sources like advertising, salespeople or displays, public sources like mass media and social networking sites and finally experiential source like handling, examining and using of product. The relative influence of these information sources varies with the product and the buyer. In the case of university students, the source of information for mobile phones can be collected based on their previous experience on usage as well as external source like friends, colleagues, neighbors, several published medias and so on.

Evaluation of alternatives

Consumers evaluate or assess the various alternatives, using the information they have at hand to come to a decision (Jobber .D, 2007). This process involves comparing the information gained in the information search process for alternative products and brands to the product–judging criteria or standards the consumer has developed. For purchase decisions, the choice alternatives are the different product classes, product forms, brands, or models the consumer considers buying (J. Paul Peter & Jerry C. Olson, 2010). However, given their limited time, energy, and cognitive capacity, consumers seldom consider every

possible choice alternative. Usually only a subset of all possible alternatives, called the consideration set, is evaluated. Some brands in the consideration set may be activated directly from memory; this group is called the evoked set. For highly familiar decisions, consumers may not consider any brands beyond those in the evoked set. If consumers are confident they already know the important choice alternatives, they are not likely to search for additional ones (J. Paul Peter & Jerry C. Olson, 2010).

Consumers' evaluations of the choice alternatives in the consideration set are based on their beliefs about the consequences of buying those products or brands. The specific consequences used to evaluate and choose among choice alternatives are called evaluation criteria. Evaluation criteria are the dimensions used to judge the merits of competing brands (Michael S. et al, 2006).

Purchase decision

A purchasing decision usually follows strong purchase intentions. In this stage, the consumer actually buys the product they have chosen. Generally, the consumer's purchase decision will be to buy the most preferred brand. A consumer's decision to change, postpone or avoid a purchase decision is influenced heavily by perceived risk. Many purchases involve some risk and the amount of perceived risk varies with the amount of money at stake, the amount of purchase uncertainty and the amount of consumer self-confidence. A consumer takes certain actions to reduce risk, such as avoiding purchase decisions, gathering more information and looking for national brand names and product warranties.

Post-purchase evaluation/behavior

In this stage, the consumers take further action after the purchase decision by evaluating their satisfaction or dissatisfaction. Consumer satisfaction or dissatisfaction is determined by the overall feelings, or attitude, a person has about a product after it has been purchased. Consumers engage in a constant process of evaluating the things they buy as they integrate these products into their daily consumption activities.

2.10 Country of origin

Over the last 30 years, international trade and the development of the global market have grown considerably. Companies and international marketers are also searching for more opportunities in the global market and multinational firms, which causes international competition among companies (A. Ahmed. et al, 2007). From a marketing point of view,

international companies that are operating in highly competitive domestic and foreign markets need to understand consumers' perceptions and evaluations of foreign-made products. According to Al-Sulaiti and Baker (1998), among the many factors that are believed to influence consumer perceptions of products in an age of international competition is a country of origin (COO) effect. Kinra (2006) asserts that COO is considered an important differentiating factor in consumer attitudes to foreign and local brand names.

Different researchers have defined the term country of origin in different ways. Country of origin effect can be defined as any influence that the country of manufacture has on a consumer's positive or negative perception of a product (Cateora & Graham, 1999). Roth and Romeo (1992), defined country of origin as consumers' perception of products of a particular country, based on their previous perceptions of that country's production and marketing strengths and weaknesses. The further added, a country's image arises from a series of aspects that qualify a nation in terms of its production profile. Such aspects include innovative approach (superior, cutting edge technology); design (style, elegance, balance); prestige (exclusiveness, status of the national brands); and workmanship (reliability, durability, quality of national manufacturers) (Hamzaoui E., 2011).

In a study by Eroglu and Machleit (1989), in the case with consumer durables, a product's technical complexity affects the importance given to consumer evaluations and that the more complex the product the more relevant the COO cue. Research works have documented the importance of country-of-origin (COO) image in consumer evaluation of foreign products and brands. Favorable country perceptions are known to lead to favorable perceptions of associated attributes such as product quality indicating thereby, that consumer evaluations are governed by influences other than the quality of the product (Peterson & Jolibert, 1995). Papadoupoulos et al. (1993) asserts that consumer perceptions of a product's country-of-origin are based on three components associated with the standard attitude model, namely their cognitions, which include knowledge about specific products and brands, consumer affect or favorable/unfavorable attitude towards the country-of-origin, and their conative behavior, which is related to actual purchase of a foreign brand.

Although some studies have questioned the importance of country of origin for much consumer decision making, recent research has demonstrated that the country of origin has a substantial effect on attitudes toward products and the likelihood of purchasing these

products, often demonstrating effects that are as strong or stronger than those of brand name, price, or quality (Ahmed & d'Astous, 1996 & Okechuku, 1994). Level of education is considered significant demographic variable (Al-Sulaiti & Baker, 1998) influencing country of origin effect (Paswan & Sharma, 2004). As education levels increase, consumers are likely to become more knowledgeable of other countries and cultures, and more tolerant of things that are different. It has also been posited to result in more favorable opinion towards foreign products (Good & Huddleston, 1995; Sharma et al., 1995) and a reduction in consumer ethnocentrism.

2.11 Country of origin and foreign versus local brands

Nowadays, more companies are competing on the global market, these companies manufacture their products worldwide, and the location where they manufacture the products might affect the perception of the consumer on the quality of the product based on the country where the product is produced. Favorable or unfavorable perceptions of a country associated with a product lead to a corresponding favorable or unfavorable evaluations of the product originating from that country.

Favorable country perceptions are known to lead to favorable perceptions of associated attributes such as product quality indicating thereby, that consumer evaluations are governed by influences other than the quality of the product (Peterson & Jolibert, 1995). In this context, COO effect refers to the extent to which the place of manufacture influences consumers' product evaluations. COO has furthermore, been used as a foremost and primary cue by consumers in evaluating new products under several conditions.

2.12 Consumer decision process

The consumer's choice results from the complex interplay of cultural, social, personal and psychological factors. Although the marketer cannot influence many of these factors, they can be useful in identifying interested buyers and in shaping products and appeals to serve their needs better. Marketers have to be extremely careful in analyzing consumer behavior. Consumers often turn down what appears to be a winning offer (Blackwell, Miniard & Engel P. 70, 2006).

2.13 Types of buying decision behavior

Consumer decision making varies with the type of buying decision. Consumer buying preference differs greatly for model of device, an expensive camera, screen size, brand

preference and storage. More complex decisions usually involve more buying participants and more buyer deliberation (Kotler & Armstrong, 1999).

2.14 Complex buying behavior

Consumers undertake complex buying behavior when they are highly involved in a purchase and perceive significant differences among brands, or when the product is expensive, risky, purchased infrequently and highly self-expressive. Typically, the consumer has much to learn about the product category.

This buyer will pass through a learning process, first developing beliefs about the product, then developing attitudes, and then making a thoughtful purchase choice. Marketers of high-involvement products must understand the information gathering and evaluation behavior of high-involvement consumers. They need to help buyers learn about product-class attributes and their relative importance and about what the company's brand offers on the important attributes (Kotler & Armstrong, 1999).

2.15 Dissonance-Reducing Buying Behavior

Dissonance-reducing buying behavior occurs when consumers are highly involved with an expensive, infrequent or risky purchase, but see little difference among brands. Perceived brand differences are not large; buyers may shop around to learn what is available, but buy relatively quickly. They may respond primarily to a good price or to purchase convenience. After the purchase, consumers might experience post-purchase dissonance (after-sales discomfort) when they notice certain disadvantages of the purchased brand or hear favorable things about brands not purchased. To counter such dissonance, the marketer's after-sale communications should provide evidence and support to help consumers feel good both before and after their brand choices (Kotler & Armstrong, 1999).

2.16 Habitual Buying Behavior

Habitual buying behavior occurs under conditions of low consumer involvement and little significant brand difference. Consumers do not search extensively for information about the brands, evaluate brand characteristics and make weighty decisions about which brands to buy. Instead, they passively receive information as they watch television or read magazines. Ad repetition creates brand familiarity rather than brand conviction. Consumers do not form strong attitudes towards a brand; they select the brand because it is familiar and may not

evaluate the choice even after purchase. Because buyers are not highly committed to any brands, marketers of low involvement products with few brand differences often use price and sales promotions to stimulate product trial (Kotler & Armstrong, 1999).

2.17 Variety-Seeking Buying Behavior

Consumers undertake variety-seeking buying behavior in situations characterized by low consumer involvement, but significant perceived brand differences. In such cases, consumers often do a lot of brand switching. Brand switching occurs for the sake of variety rather than because of dissatisfaction. The market leader will try to encourage habitual buying behavior by dominating shelf space, avoiding out-of-stock conditions and running frequent reminder advertising. Challenger firms will encourage variety seeking by offering lower prices, deals, coupons, free samples and advertising that presents reasons for trying something new (Kotler & Armstrong, 1999).

2.18 Factors affecting consumer behavior

A number of different factors influences consumer purchase process, some of which marketers cannot control, such as cultural, social, personal, and psychological factors. However, these factors must be taken into consideration in order to reach target consumers effectively.

Cultural factors

Culture, subculture, and social class are particularly important influences on consumer buying behavior. Culture is the most fundamental determinant of a person's wants and behavior. Every group or society has a culture. Although different societal groups have their own culture that affects consumers' buying behavior, the extent to which it influences the behavior might vary from country to country. Each culture consists of smaller subcultures that provide more specific identification and socialization for their members. Subcultures include nationalities, religions, racial groups, and geographic regions. The third cultural factor is Social class relatively homogeneous and enduring divisions in a society. Social classes reflect income as well as occupation, education, and other indicators (Kotler, 2000).

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. Reference groups consist of all of the

groups that have a direct (face-to-face) or indirect influence on a person's attitudes or behavior. Groups that have a direct influence on a person are called membership groups it includes family, friends, neighbors, and co-workers, with whom individuals interact continuously and informally. Secondary groups, such as professional and trade-union groups, tend to be more formal and require less continuous interaction. Sometimes people are also influenced by groups to which they do not belong. Aspiration groups are those the person hopes to join; dissociative groups are those whose values or behavior an individual reject. Family is the most important consumer-buying organization in society since a wife; husband or a child has strong influences. Finally, role and status can be defined in terms of the person's position in each group a role consists of the activities that a person is expected to perform. Each role carries a status. A Supreme Court justice has more status than a sales manager does, and a sales manager has more status than an administrative assistant does (Kotler, 2000). In general, people choose products that communicate their role and status in society.

A customer's buying behavior is also influenced by social factors, such as the groups to which the customer belongs and social status. In a group, several individuals may interact to influence the purchase decision. The typical roles in such a group decision can be summarized as follows: (Kotler, 2000)

A. Initiator

The person who first suggests or thinks of the idea of buying a particular product or service

B. Influencer

A person whose view or advice influences the buying decision

C. Decider

A decider is the individual with the power and/or financial authority to make the ultimate choice regarding which product to buy.

D. Buyer

A buyer is the person who concludes the transaction.

E. User

A user is the one who actually uses the product or service.

The family unit is usually considered the most important "buying" organization in society. It has been researched extensively. Marketers are particularly interested in the roles and relative influence of the husband, wife and children on the purchase of a large variety of

products and services. There is evidence that the traditional husband-wife buying roles are changing. Almost everywhere in the world, the wife is traditionally the main buyer for the family, especially in the areas of food, household products and clothing. However, with increasing numbers of women in full-time work and many men becoming “home workers” (or “telecommuting”) the traditional roles are reversing. The challenge for a marketer is to understand how this might affect demand for products and services and how the promotional mix needs to be changed to attract male rather than female buyers. Consumer wants, learning, motives etc. are influenced by opinion leaders, person’s family, reference groups, social class and culture (Kotler, 2000).

Personal factors

The third factor that influences buyer’s behavior is personal characteristics, including the buyer’s age, stage in the life cycle, occupation, economic circumstances, lifestyle, personality, and self-concept. People change the goods and services they buy over their life time. They eat baby food in the early years, most foods in the growing and mature years, and special diets in the later years. Taste in clothes, furniture, and recreation is age-related. Similarly, consumption is also shaped by the stage of the family life cycle-the stages through which families might pass as they mature over time (Kotler, 2000).

Person’s Occupation also affects the goods and services bought. Blue –collar workers tend to buy more rugged work clothes, whereas executives more business suits (Kotler and Armstrong, 2010). Similarly, economic circumstances influence a person’s consumption pattern. Since product choice is greatly affected by a consumer’s economic circumstances: spendable income (level, stability, and time pattern), savings and assets (including the percentage that is liquid), debts, borrowing power, and attitude toward spending versus saving. Thus, marketers of income-sensitive goods must track trends in personal income, savings, and interest rates. Person’s pattern of living in the world as expressed in activities, interests, opinions and distinguishing psychological characteristics that lead to relatively consistent and enduring responses to environment influences buying behavior (Kotler, 2000).

Psychological Factors

According to Kotler (2000), the forth group of factors that influence consumer buying behavior are Psychological factors. It constitutes motivation, perception, learning, and

beliefs & attitudes. When a person is motivated, he/she ready to act, yet how that person actually acts is influenced by his or her perception of the situation. Perception is the process by which an individual select, organizes, and interprets information inputs to create a meaningful picture of the world. When people experience new things, changes take place in their behavior, i.e. they learn new things when they take action. Therefore, through doing and learning, people acquire beliefs and attitudes that, in turn, influence buying behavior.

2.19 Internal factor affecting consumer behavior

The reason why consumers prefer one product to another is lies in the make-up, or core of the person who initiates the purchase. The actual decision process is often internalized by the consumer, and there are several factors that influence the consumer's purchasing behavior. It is important for the marketer to understand these influences in order to provide for the consumer's needs and then accurately promote a company's products and services. These influences include life stage, income/spending capacity, and values/beliefs attitudes (Schiffman, L, 2000).

Life Stage

An individual goes through in his or her lifetime several stages. Each stage has unique behavior patterns, and consumers' needs can be monitored and targeted by marketers at each stage. The stage in a consumer's life cycle, coupled with household income, has an important influence on consumer purchasing. For example, newlyweds purchase more furniture and durable goods, and the addition of a new baby causes most consumers to reconsider their purchase of many categories. Couples with no children, known as "empty nesters," tend to have more discretionary personal income and are attractive customers for travel and other leisure goods. The younger the audience is the greater the ability to influence purchasing behavior over time. However, very young individuals are impressionable and impulsive, therefore ethically limiting this audience as a target. Age plays a role in consumer behavior, and it is often used in marketing research to understand trends of target groups (Blackwell, 2006).

Income/Spending Capacity

Individual purchasing behavior in a developed society is dependent on the capacity to exchange money for need satisfaction. Household income limits the amount of consumer purchasing, and is delineated by disposable and discretionary income (Schiffman, L, 2000).

- **Disposable Income:** Consumers cannot spend all of their income because they generally must pay taxes to government units. The remaining income, disposable personal income, is the amount available for spending and saving and is an important statistic for marketers comparing opportunities across markets and over time.
- **Discretionary Income:** Another important statistic is discretionary personal income, which is the income available after outlays for necessities such as housing, insurance, and food. Marketers typically favor lower taxes to allow greater disposable income to be spent for their products.

Values/Beliefs/Attitudes

Psychographics are the consumers' learned predispositions, either positive or negative, that affect their purchasing behavior. Understanding these predispositions helps marketers to determine how a consumer will react to a product or marketing communications. There are three levels of orientations based on their importance and conviction: values, beliefs, and attitudes (Ray Wright, 2006).

A. Values

A value is pattern of behavior within a culture, which the members of that society hold in high regard and around which individuals integrate societal goals. Examples include freedom, justice, and education. For instance, parents may have a value such as placing importance for their child being successful in school or of having more opportunities than they had. Companies must design products and communications with an understanding of consumer values, such as marketers of educational computer software incorporating the value of education and learning into their marketing communications (Ray Wright, 2006).

B. Beliefs

A belief is an emotional acceptance of some proposition or doctrine.⁶ Consumers develop purchasing beliefs over time based on product experience, input from reference groups, and marketing communications. Experience leads to a belief that an alternative is either the best choice, an acceptable choice, or an unacceptable choice. For example, a consumer may have a belief that "you generally get what you pay for" and therefore infer that higher priced brands must have higher quality (Ray Wright, 2006).

C. Attitudes

An attitude is an internal orientation toward intended action. This encompasses the idea that

this orientation is cognitive (consciously held), evaluative (feelings either positive or negative), and conative (indicating disposition for action). Thus, attitudes denote a person's current disposition or feelings about a company or product and influence the buying decision process (Ray Wright, 2006).

2.20 External factor affecting consumer behavior

A complete marketing plan should incorporate the external influences on consumer behavior, which include culture, opinion leaders, the environment (physical/technological), product value, and marketing communications/demand promotion.

Culture

Culture is the behavior and customs that are passed down through generations socially, rather than genetically. Culture is a multifaceted concept that ties together attitudes, beliefs, and habits. Each consumer's individual needs are relatively similar from person to person. However, groupings of individuals do have some differences from other groupings. Culture is defined by various attributes of the way these groups act in a somewhat homogeneous manner.

Cultural elements include time, space, self, honor, values, possessions, gender, and laws. Each of these elements affects or influences the individual's behavior. People in a particular culture have similar behaviors and views. A marketing plan will define itself with a specific culture in mind. In addition to cultural behavior patterns, subcultures influence consumer behavior, are important to research, and influence in a marketing environment. Subcultures include national origin/ ethnicity, education, geography, and occupation. Many consumers are now receptive to mixing food, music, and fashion across subcultures and are more open to ethnic groups maintaining the traditions and customs of their heritage. Marketers should understand how these subcultures are consistent with the mass market and their product offerings. This will assist them in developing appropriate communications approaches and specific products (Suja R. Nair, P. 185-186, 2000).

Opinion Leaders

Opinion leaders are people that the consumer looks to for information about an upcoming decision. Opinion leaders are divided into two groups: influencers and personal reference groups (Matin Kahn, p 64, 2006).

A. Influencers

Influencers are opinion leaders that the consumer does not know personally. A political leader may persuade the individual to think a certain way about a social or tax issue. A movie critic may persuade an individual to see or not see a movie (Matin Kahn, p 64, 2006).

B. Personal Reference Groups

Reference groups are sources of information, and they influence consumer-purchasing behavior. Reference groups are groups of people that the individual personally knows, frequently contacts, and whose opinions and approval are valued. There are several types including family, friends, neighbors, and affiliations (work, clubs, and churches). Desiring to gain approval or acceptance from a group is an attempt to be perceived as normal (fitting into the group norm). Within each of these groups, there are influential individuals whose behavior can shape the perceptions and ultimately the purchases of the group itself (Matin Kahn, p 64, 2006).

The Environment

While the environment in which marketers operate is largely uncontrollable, marketers can influence certain aspects of the environment. Therefore, every marketing strategy needs to change or at least adapt to some aspect of the social and physical environments. While attempting to influence consumers' affect/cognition and their behaviors, marketing strategies must often be altered to fit the social and physical environments (Matin Kahn, 2006).

Psychological factors, such as status, are often important determinants in making smart phone-buying decisions. One American interviewee stated, "I have a good job now, and I feel that a nice smartphone, car, suit, tie, and shiny shoes are just as important. It is significant because I have to earn people's trust and reflect a positive image; otherwise, one would probably be inclined to question an individual's success or career attainment."

2.21 Factors affecting consumer's preference of domestic smart phone

Consumer preference can be strongly influenced by the way that information is provided in-store and online, and consumers rely heavily on the opinions and advice of other people. The cost of buying and running a Smartphone is large but future costs are not always well considered. People are also heavily motivated by emotional factors, and by what they think a new smart phone says about their personality. Policy must take into account all of these different factors if it is to effectively influence consumer choice.

A variety of studies conducted by many authors have emphasized on different factors that

influence consumers in forming their own brand preference towards mobile phone brands.

Maha Al-azzawi and Mac Anthony (2012), studied students' brand preference between Apple and Samsung Smartphone with a sample size of 214 students from the University of MälardalenHögskolan in Sweden. Through quantitative research approach, they found that price, brand name, social influence and satisfaction are the most important factors affecting Smartphone brand preference. In conclusion, they stated that each of the brand equity and identity dimensions of Apple Smartphone when compared to Samsung brand equity and identity dimensions reveals that Apple has relatively high strong brand equity and brand identity than Samsung.

Brands Name

Brand name is defined as a specific name, symbol or design- or, more usually some combination of these- that is used to distinguish a particular seller's product (Doyle, 2002). Brand names have become increasingly valuable assets for many multinational companies. In a cluttered marketplace, brands stand up as the source of differentiation for providers of products and services that can be quickly tracked with easy access to technology and information (Lim & Orcas, 2001). Many consumers use brands as clues to indicate product performances, instead of engaging themselves in search for information when deciding between competing brands. Consumers use brands as cues to make decisions to purchase or try products (Ger et al., 1993). It is said that consumers tend to rely more on extrinsic cues (Jacoby et al., 1977). Moreover, Han and Terpstra (1988) assert that consumers utilize extrinsic cues in evaluating a brand because they often are unable to detect its true intrinsic quality.

Doyle (2002) asserts that brands are bought by consumers for emotional as well as functional reasons. It is also said that people use brands to show off their lifestyles, interests, values or wealth. Not only customers choose brands that they perceive as meeting their 'needs', but also for gaining a sense of belonging, esteem, etc...

Chidambaram and Alfred (2007) postulates that there are certain factors, which influence the brand preferences of the customers. They believe that the brand name tells them something about product quality, utility, technology and they prefer to purchase the smart phone device which offer high storage, good quality, technology, durability and reasonable price.

Consumer Preference

It is important to the survival and growth of the organization that regularly raises such questions and attempt to find answers to them. It is only through such process of questioning and seeking that it can be sure of keeping its firm on the growth path. A thorough knowledge of its consumers and an understanding of their behavior (as consumers) are essential if it wishes to continue to remain in business. The buying process starts with the buyer recognizing a need or problem. The problem for example, may be run out of toothpaste. The problem recognition occurs when the consumer recognizes that he/she has unfulfilled need. The desire to fulfill this need activates off the other steps of information search and evaluation and finally results in the purchase process.

Price

According to Kotler et al. (2005), in narrow sense, price is the amount of money charged for a product or service. More broadly, price is the sum of all the values that consumers exchange for the benefits of having or using the product or service. In the past, price has been the major factor affecting buyer choice. This is still the case in poorer countries, among less affluent groups and with commodity products. Price is the only element in the marketing mix that produces revenue; all other elements represent costs. Price is also one of the most flexible elements of marketing mix. Unlike product features and channel commitments, price can be changed quickly. At the same time pricing and price competition is the number one problem facing many marketers. Yet many companies do not handle pricing well. One frequent problem is that companies are too quick to cut prices in order to gain a sale rather than convincing buyers that their products or services are worth a higher price. Other common mistakes are: pricing to cost- oriented rather than customer -value oriented; pricing that are not revised often enough to reflect market changes; pricing that do not take the rest of the marketing mix into account; and prices that are not varied enough for different products, market segments and buying occasions.

In this regard, (Belay, 2009) noted that price is an important factor in determining a firm's ability to compete in world markets. For many companies, pricing policies and procedures are secret information and not easily available to outsiders. Companies can charge high prices and manage to remain competitive if the price charged is lower than, or in alignment with, the perceived value of the product or service. In competitive markets, high prices

represent an indication of the social desirability of producing the product or service. Pricing in the world markets is often used as an instrument of accomplishing the firm's marketing objectives.

The firm could use price to achieve certain levels of market share, profits, or returns on investments, or to reach some other specific goal. According to Bucklin et al. 1998, (cited in department of management and marketing, 2008) price significantly influences consumer choice and incidence of purchase. He emphasized that discount pricing makes households switch brands and buy products earlier than needed. Price is described as the quantity of payment or compensation for something. It indicates price as an exchange ratio between goods that pay for each other. Price also communicates to the market the company's intended value positioning of its product or brand. As, all above authors indicated, price is an important instrument in accomplishing the firm's marketing objectives. Particularly Kotler et al. (2005) and Bucklin et al. (1998) mentioned as price significantly influences consumer choice and incidence of purchase especially in poorer countries.

Social influence

A social influence refers to a social position that an individual occupies in a society. People belonging to a social class have many characteristics, such as education, occupation, ownership of property and source of income. Social influences the decision-making of groups and individuals. It reflects on the marketing behavior of consumers. It is a relatively permanent and homogeneous division in a society, which differs in their wealth, education, possession, values, beliefs, attitudes, friendship and manner of speaking. Status difference also reflects on prestige, power and privilege (Hyman, 1942).

The concept of social influence involves families rather than individuals. Members of the same family enjoy the same status, as they belong to the same social class and share the same house, share a common income and have similar values. These characteristics affect their relationship with others. Social influence results from large groups in a population sharing approximately the same life styles, which are stratified according to their social status and prestige.

2.21 Social Classes and their Buying Patterns

The buying behavior of individuals and groups are strongly influenced by the social class to which they belong, or aspire to belong. Social class is also linked to demographic and

geographic data. These classes are found living in clusters and have relatively homogeneous geo-demographic segments in terms of housing, urbanization and other, viz. class difference in status is symbolic for food, housing, clothing, purchases, and lifestyle. In a social class, people try to make the same kind of purchases as are expected by their peers. Marketers try to target their products on class-based market segments (Blackwell, 2006).

A. Group: consists of two or more individuals who share a set of norms, values or beliefs and have certain implicitly or explicitly defined relationship with one another, such that their behavior is interdependent. Groups give an opportunity to individuals to learn and socialize. Marketers use the knowledge of group influences when designing market strategy (Blackwell, 2006).

B. Reference group: is a group of people whom you refer to, while making buying decisions. They help you in buying items like clothing, etc. Reference groups influence consumer behavior by building aspirations for the individual and, helping him to choose the product for a particular lifestyle. They are small groups and consist of family, close friends, work groups, neighbors or any other group of people you associate with. These groups regulate the lives and set standards for norms and conduct. In a family, the members of the family in the purchase consumption process exert influence. Reference groups affect consumers by imparting information and by influencing value expressive needs of the consumers. If one wants to be a member of the group, one has to conform to the standards of the group. Their values and attitudes have to be appreciated and adopted, and one tends to buy and use the products, which the group uses and appreciates. More homogeneous groups or group members having similar characteristics are more susceptible to attitude changes than the groups whose members are less homogeneous. Some individuals have a strong sense of identification with a group because they derive strong material or psychological benefit by being associated with that group. Sometimes, there are pressures of buying, known as conformity pressures, and one adheres to the norms of the group. Conformity pressures can be noticed with norms set by schools and colleges, other membership organization and military or police organization and the like. These can be exerted directly or indirectly on the members of the group (Blackwell, 2006).

2.22 After-sales service

After sales is an important means for differentiating brands rather it increase customer

loyalty and retention. It is suggested that firms should evaluate the significance and the strategic role that after sales service can play in differentiating and developing market competitive positions. Zeithaml, Berry, and Parasuraman (1996) investigate the consequence of service quality on behavioral intentions. The result shows that service quality has significant and positive impact on consumer behavioral intentions. Ehinlanwo and Zairi (1996) examine the best practices of after sales service in four major smartphone firms of Germany that are Ford, Toyota, Nissan, and Fiat. According to the study they concluded that the after sales service represents a source of profit, customer satisfaction and is a source of product differentiation. They recommended that smart phone producers must re-engineer their process in providing after-sales service by making truly changes in their policies.

Rosen and Surprenant (1998) study whether after sales service is enough for the long term relationship with the customers. They selected two different industries, one was providing sophisticated equipment to business customers and the other one was a large customer electronic manufacture in America. The result shows that companies are focusing more towards providing the additional services to gain competitive advantage with good communication and flexibility.

Rigopoulou et al. (2008) examine the consequence of after sales service on customer satisfaction such as repurchase intention and how products promote through word of mouth if they are content with the company's brand in the electronic market of Greece. They considered installation, delivery, customer satisfaction; re-purchase intention and word of mouth as a variable. And the result shows that after sales service has significant and positive impact on customer satisfaction, which in turn positively affects buying behavior of the consumers.

2.23 Attitudes towards the purchase of foreign products

Consumer ethnocentrism

Consumer ethnocentrism is a construct, which has been widely need in studying consumer attitudes towards foreign products. It derives from the more general construct of ethnocentrism, which in turn is rooted in a belief that one's own group (the in-group) is superior to other groups (out groups). Purchasing imported good is seen as wrong as it will harm the domestic economy, have an adverse impact on domestic employment, and is unpatriotic. Consumer ethnocentrism has a negative influence on product judgment of

foreign product and willing to buy foreign products (Douglas, 1999)

Influence of Animosity

Because of their size and resources, small countries are often dependent on their neighbors, particularly larger countries. As a result, small countries may feel threatened and have feeling of animosity toward large countries. Animosity has a direct, negative influence on willing to buy foreign products (Douglas, 1999).

Interest in foreign travel

Much research relating to attitudes towards foreign product has been conducted in countries with larger international market such as the U.S. The generalization of findings to small countries is somewhat problematic (Douglas, 1999).

Literature on ethnocentrism and animosity proposes both concepts as antecedents of the purchase intentions of foreign made products and domestic products (Marin, 2005). As Klein et al. (1998) point, the concept of ethnocentrism ought to be included when the unit of analysis involves understanding the consumer buying behavior process, since studies of consumer ethnocentrism have generally found that ethnocentric consumers tend to avoid buying products from any foreign country (Suh, 2002). The preferences, evaluations and purchase intentions of such consumers are influenced by consumer ethnocentrism. For example, Shimp and Sharma (1987) find that the ethnocentrism of American consumers is inversely related to their intentions to buy foreign made smart phone. Subsequent studies with Portuguese and Korean consumers corroborate the fact that ethnocentrism increases the rejection of foreign products and enhances the purchase intentions towards domestic products.

2.24 Theory of consumer demand

The theory of consumer demand is the analysis of the demand with regard to consumer behavior and rationale when changes occur in variable factors such as price, income, and substitute goods.

Choice and revealed preferences are two important factors affecting consumer demand.

Axiomatic theories

Axiomatic theory is relating to consumer behavior and rationality, and is an essential part of indifference curves analysis and the theory of consumer demand. The axioms of rationality are:

- Completeness (the ability to order every available combination of goods according to preferences).
- Intransitivity (relationship between different combination of preferences) and
- Selection (the consumer will aim for the most desired combination (H.R. Varian, 1996)).

2.25 Neoclassical theory of consumer demand

The Neoclassical theory of consumer demand holds that a negative relationship exists between the quantity demanded for a particular product and that products price. As price of a good declining, consumers purchase more of those goods and purchase less as the price increase. As to the Neoclassical, the value of a particular good is dictated not solely by price, but also by a consumer subjective feeling toward a product. Consumers may have unlimited wants, but their resources, such as the money with which they purchase the goods that bring them utility are limited.

Unlimited wants and limited resources means consumers must allocate their resources and choose from purchase options. The consumer is assumed to be rational given his income and the market prices of the various commodities he plans the spending of his income so as to attain the highest possible satisfaction or utility. In the traditional theory it is assumed that the consumer has full knowledge of all the information relevant to his decision that is he has complete knowledge of all the available commodities, their prices and his income (A. koutsoyiannis, 1979).

They are two basic approaches to the problem of comparison of utilities, the cardinalist and the ordinalist approach.

The cardinal utility theory

The cardinalistschool postulates that utility can be measured. Various suggestions have been made for the measurement of utility. Under certainty (complete knowledge of market conditions and income levels over the planning period) some economists have suggested that utility can be measured in monetary units, by the amount of money the consumer is willing to sacrifice for another unit of a commodity.

Cardinal utility theory assumptions

Rationality- The consumer is rational. He aims at the maximization of his utility subject to

the constrained imposed by his given income.

Cardinal utility- The utility of each commodity is measurable. Utility is a cardinal concept. The most convenient measure is money. The utility is measured by the monetary units that the consumer is prepared to pay for another unit of the commodity.

Constant marginal utility of money- This assumption is necessary if the monetary unit used as the measure of utility. The essential feature of a standard unit of measurement is that it be constant. If the marginal utility of money changes as income increases (decreases) the measuring rod for utility becomes an elastic ruler, inappropriate for measurement.

Diminishing marginal utility- the utility gained from successive units of a commodity diminishes. In other words, the marginal utility of a commodity diminishes as the consumer acquires larger quantities of it. This is the axiom of diminishing marginal utility.

The consumer attains the maximization of his utility when the marginal utility of commodity x is equal to the price of that commodity. But if the marginal utility of x is greater than its price, the consumer can increase his welfare by purchasing more units of x. Similarly if the marginal utility of x is less than its price the consumer can increase his total satisfaction by cutting down the quantity of x and keeping more of his income unspent (A. Koutsoyiannis, 1979).

The Ordinal utility theory

The ordinalist school postulated that utility is not measurable, but is an ordinal magnitude. The consumer need not know in specific units the utility of various baskets of goods' according to the satisfaction that each bundle gives him. He must be able to determine his order of preference among different bundles of goods. The main ordinal theories are indifference curve approach and the revealed preference hypothesis. According to the indifference curves theory, consumers is assumed to be rational, he aims at the maximization of his utility, given his income and market prices. Indifference curves theory assumed that the commodities y and x can substitute one another to a certain extent but are not perfect substitutes (A. Koutsoyiannis, 1979).

Consumer receives more satisfaction and would therefore be willing to pay higher prices for earlier units of commodity that they purchase (Salvatore, 2001)

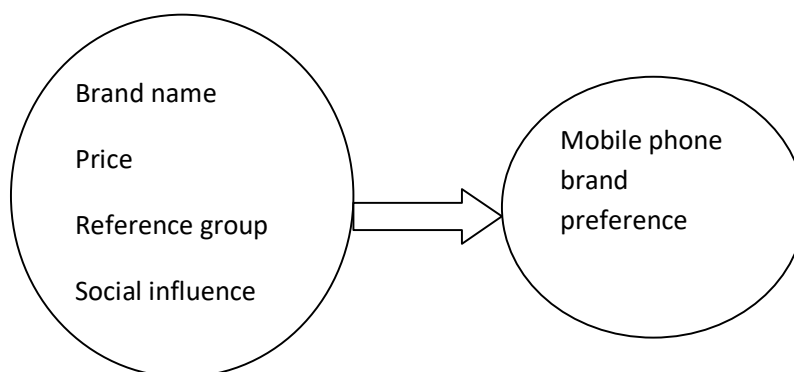
2.26 Empirical Literature review

Different studies conducted in different areas on the behavior of consumers conclude their

results differently. A study conducted by (Douglas, 1999), Show that consumer does not bring the country of origin dimension in to question when buying a product. For example, a product made in Europe relative to product is made in Japan. This study (Douglas, 1999) result shows that although some preferences would be shown between products made locally as compared to those made abroad, only because the image of domestic product have been tarnished due to lack of advertising and ability to complete on international scale. This study (Douglas, 1999) concluded that consumers are less likely to have negative attitudes towards foreign product perceived domestic product availability has a negative effect on the product judgment of foreign product. The study (Douglas, 1999) concluded that the availability of domestic alternatives, particularly in small economies, is another issue impacting attitude towards foreign products. Where no domestic alternatives are available, for example, consumers in countries, with no domestic Smartphone or consumer's electronic product, will have no choice but to purchase imported goods.

Another study conducted by (Daniel, 2005) shows that for products that have high demand in international market, understanding and serving the needs of consumers can be disheartening. This is because consumers in different countries have different values, attitudes and behaviors. The study result (Daniel, 2005) shows that, it is necessary to recognize such differences and adjust the product and marketing program accordingly.

Figure 2. 2Conceptual framework of the study (A modified model of Alamro & Rowley,2011)



CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

3.1 Introduction

Before beginning to carry out the present study, the researcher initially conducted a pilot study in order to find out the feasibility of the study. Therefore, the student researcher selected two shopping areas in Addis Ababa, which is Bole, and Piyassa answer the research questions about the buying preference of individual consumers and decides to conduct the present study. So, in order to achieve the objective of the study this part will emphasize on the research methodology that will be used, type of data source, sampling techniques the research data collection technique; questioner and sampling. In order to answer the research questions, a systematic research process should be followed to claim that the research questions were answered scientifically and the research added to or developed new knowledge.

3.2 Research Approach

There are specific questions that the researcher wants to address which include consumer preference. Two basic research approaches have been identified: inductive and deductive approach. Inductive approach is a research approach that builds on specific phenomenon to generalize. A deductive approach to research is the one that people typically associate with scientific investigations. (Soiferman, 2010). This research will be using the deductive reasoning approach. The reason for selecting deductive reasoning is that the researcher intends to study what others have done, reads existing theories of different promotional mix and consumer preference, and then emerges from those theories.

Data is collected by various means following a strict procedure and prepared for statistical analysis. A quantitative approach is a means for testing objective theories by examining the relationship among variables. Quantitative research relates to aspects that can be quantified or can be expressed in terms of quantity. It involves the measurement of quantity or amount. The research was conducted in Addis Ababa two shopping areas of smart phone device that are Megenagna, and Merkato which represent all kind of customer type in Addis Ababa. Quantitative research surpasses qualitative in a sense that it can analyze data based on

representative samples from a large population (Proctor, 2000), having a complete set of categorization for the events or activities described (Silverman, 2000). In this way, quantitative analysis is stronger than qualitative analysis in that it can persuade readers with large-scale, numeric data. The variables, in turn, can be measured, typically on instruments, so that numbered data can be analyzed using statistical procedures (Creswell, 2008). Quantitative methods are more appropriate for large scales. It will express the possible relationship between one or more independent variables by conducting a great number of data. This approach will be applied by collecting data using questionnaires from convenient places for the researcher.

3.3 Research Design

In this research, explanatory method was used to describe customer's behavior toward their preference. Explanatory studies explore if it follows that the usefulness of one fitful objective and explain the relationship between international and tecno smart phone devices to establish linkage between them and generally measures the level of impact of the independent variables on the dependent variable (Carl McDaniel, 2010).

Therefore, this research work aims to describe different forces which will affect consumers buying preference of tecno smart phone device and to examine the sources of information an individual customer go through to reach a final buying decision.

Based on this purpose the major focus of this study was on the description of data related to customer preference toward imported and tecno smart phone device in Addis Ababa. It helps to identify, describe the nature of the subject and also it is more appropriate for further explanation of various problems, it answers the research questions in most appropriate way to use average and percentage for central tendency.

3.4 Target Population

The target population of the study was the consumer those who live in Addis Ababa and used the market place to buy their smart phone mobiles from the shopping area of Megenagna, and Merkato. The number of population is infinite and in Addis Ababa many people it is a combination of different country with different culture, religions, society institution economical background capacity so that the above shopping areas are the most preferable place which is found in Addis Ababa due to that reason it is better to select

allegoric area in the city which is located on such areas and all kinds of customers can be found.

3.5 Sampling techniques and sample size

In this study used non-probabilistic sampling. In this technique, the chance of including any unit of sample cannot be determined. From non-probabilistic sampling convenience sampling was used this method was adopting because the target population of the study (customer) was not available at one time and it is impossible to include all the population of Addis Ababa because of time, money, lack of resource, and due to the current pandemic case (covid 19) peoples are not going to understand easily because exodus peoples need prudence to being carefulness.

Convenience method is chosen because this sampling method often allows a potential respondent to self-select into the sample and allows the researchers to choose who, where, and when to collect data. One of the shortcomings of convenience method is that the results may be non-representative of the entire population. However, this method is quite common in marketing, business and management research as this can ensure a high response rate whereas probability sampling involves a lot of difficulty and costs (Bryman& Bell, p 25 2003).

It is advisable to use a large sample to achieve perfect results, which are representative of the population, and sample size should meet the statistical requirements of a particular statistical analysis that the researcher wishes to conduct.

The sample size for this study determined by the sampling calculation method suggested by Cochran(1963) inferring to the infinite number of population and confidence level at 95%.

: - To determine the sample size of the study will be use Cochran man formula

$$SS = \frac{Z^2 PQ}{e^2}$$

GIVEN

SS= sample size

Z=the standard value

P= level of variability

q= 1-p

e=the level of precision

$$SS = \frac{1.96^2(0.5)(0.5)}{0.05^2}$$

$$=384.16$$

$$=384.16$$

The final result from sample size is 384.16 samples so that the researchers was distributed 384 questionnaires to the students to know their preference of imported and domestic smart phone devices by using standardized questioners and interview.

Therefore, the sample size determination selected for this study goes in random with the total population of the study. However, in consultation with my advisor, the sample size reduced to 150 because of covid19 to minimize contact and lack of tecno/international smart phones seller shop availability so that the data collection for sample size was reduced to 147, due to non-response and incomplete questionnaires.

3.6 Data source

The study was used primary source of data. Primary data was collected through standardized questionnaires. The researcher used to generate the primary data, in the questioner through including brand name, price, reference group and social influence that factor affect the dependent variable of consumer preference of smart phone mobile device which has also been included in the questionnaire through gather three parts of the questioner which is the respondents general profile in terms of gender, age education and income, ranking criteria for selecting tecno mobile and for the third part 5 point opinion likert scale questionnaire of 1= strongly disagree, 2= disagree, 3= neutral, 4= agree, and 5= strongly agree type is used to generate the data necessary to accomplish the objectives of the research project.

3.7 Method and procedure of data collection

A researcher applies 5-point opinion likert scale to measure respondent's response regarding their purchasing behavior of imported and domestic smart phone device in Addis Ababa. Statements in the questionnaire will be arranged according to the agreement and disagreement of respondents, ranged from 1= strongly disagree, 2= disagree, 3= neutral, 4= agree, and 5= strongly agree. Through the observed questioner, the data was collected from the one who prefer smart phone device whether it is imported or domestic in the selected

shopping areas.

Anyone who has visit to buy or to have an information for smart phone device in the shopping areaduring the data collection period has been orally asked permission and fill the questionnaire if they are willing to make a response.

Likert scale is widely used by marketing researchers for measuring attitudes or components of attitudes (Chisnall, 1995; Churchill, 1991; Kent, 1993; Malhotra & Birks, 2000). Typically, when a Likert scale is used for measuring attitude, its usual or standard format consists of a series of statements to which a respondent is to indicate a degree of agreement or disagreement using the following options: strongly agree, agree, neutral, disagree, strongly disagree. As such, the scale purports to measure direction (by 'agree/disagree) and intensity (by 'strongly' or not) of attitude. The scale, per se, was intended as a summated scale, which was then assumed to have interval scale properties (Likert, 1932).

3.8 Pre-test

The purpose of the pre-test is to identify if the questionnaire is able to provide all the information as expected by the researchers (Aaker et al, 2004). Pre-test is to test if the questionnaire is user-friendly and if there any ambiguous questions exist, and if the time taken to finish the survey is too long. Another purpose of pre-test is that researchers could refine their questionnaires after they know their problems. Therefore, regarding the questionnaire to be distributed to the customers those who prefer imported and domestic smart phone device; the researcher will test the questionnaires to Bole and Piyassa selected shopping area respondents in advance.

3.9 Method of Data Analysis

Analysis of data is dependent on the information that is gathered from different sources. To analyze the data that was gathered through data collection instruments, the researcher used both inferential and descriptive techniques was used with simple statistical analysis such as percentage, mean, bar chart, cross tabulation, and some other analytical method. In order to test the hypothesis and to give recommendation the researcher used correlation and multiple regression analysis. To do so, the researcher applies SPSS software to process quantitative data.

3.1.2 Reliability of the study

The reliability and validity of the data and findings are of pivotal importance to the whole research. These determine whether the research can engender useful findings or not. Reliability connotes to the consistency on the research results, which are judged by different observers or by the same observer on different occasions (Hamersley, 1992). As pointed out by Davis and Bremner (2006), to justify reliability, one can replicate the same research to see whether the same outcomes are obtained on subsequent occasions. In order to strengthen the reliability of a study a researcher conducted a pilot test, identify, omit potential problems and check questionnaires comprehension. The researcher also asks those who have smart phone selling and buying experience in ethiotelecom shop including staffs, customers gets guidance from a research adviser on how to do the research. Reliability test can be established using pilot test by collecting data from 30 to 50 subjects not included in sample. Data collected from pilot test can be analyzed using SPSS. For this study, cronbach's alpha was used to assess the internal consistency of variables in the research instrument. Cranach's alpha is a coefficient of reliability used to measure the internal consistency of the scale; it represented as a number between 0 and 1. According to zikmund et al., (2010) scales with coefficient alpha of 0.7 indicate fair reliability. Thus, for this study, a cronbach's alpha score of 0.7 or higher is considered adequate to determine reliability.

Table 3. 1*Reliability Analysis of Variables*

No	Variables	Cranach's Alpha	Number of Items
1	Brand Name	0.711	4
2	Price	0.752	6
3	Reference group	0.868	4
4	Social influence	0.877	4
5	Consumer preference	0.723	7

Source: survey, 2021

The result of the cronbach's alpha for this study's instrument was found to be in the acceptance range i.e. >0.7. thus showing as indication of acceptability of the scale for further analysis since all the five items of customer's attribute dimensions (brand name, price,

reference group and social influence, consumer preference)measuring consumer preference were above 0.7. The Cronbach's alpha coefficient of the eight dimensions of consumer preference is shown in table 3.1

3.1.3 Validity of the study

While reliability is correlated to consistency, validity concerns about the truth (Silverman, 2000), giving an accurate account to the social phenomena (Hamersley, 1992). Validity refers to the degree in which our test or other measuring device is truly measuring what we intended it to measure. However, it is found that having reliable research results is not always attributable to valid outcomes (Davis & Bremner, 2006).

In order to grasp the domain of the construct and test the goodness of measures, the validity of the instrument was checked through discussion with my research thesis advisor. The comments and judgments of my advisor were integrated in the questionnaire.

Additionally, the scales items on the questionnaire were adopted from a standardized questionnaire from Bizu Tesafa(2018) as much as possible questionnaires are presented in the proper order, clear and standard instructions are given, all alternatives are provided and they are not too long and not hard to read. In addition to that, the researcher was also test questionnaires before distributing to respondents,

3.1.4 Research Ethics

Research in the social sciences often concerned with collecting data from people. Research ethics in provides guidelines for the responsible conduct of research. In addition, research ethics educates and monitors scientists conducting research to ensure a high ethical standard. It is important to consider ethical issues from the early stages of a research project. From the beginning of the design process, provisional decisions are usually taken about the nature of the research sample, and the methodology (Paul Oliver, 2010).

Research is a public trust that must be ethically conducted, trustworthy, and socially responsible if the results are to be valuable. All parts of a research project – from the project design to submission of the results for peer review – have to be upstanding in order to be considered ethical. When even one part of a research project is questionable or conducted unethically, the integrity of the entire project is called into question (university of Minnesota, p 7, 2003).

This research aimed to study an individual consumers buying preference of imported and

Tecno smart phone device in the city of Addis Ababa. A researcher has an approval of the above named research title from an authorized body. Regarding the ethics of a research the researcher asked the consent of participants to respond to the questionnaires voluntarily, work hard to contribute to the good of the society, research procedure or data analysis, respect the rights of research subjects, particularly their rights to information privacy, to being informed about the nature of the research, the participants had the right to give their opinion on the product which was only used for the research purpose and the types of activities in which they were asked to engage.

Moreover, a researcher was not pass off somebody else's ideas, thoughts, theories, words, or stories as a researchers own work, will acknowledge the substantive contributions of all research participants, whether colleagues or students, according to their intellectual contribution, was kept the confidentiality of participants and was use only and only for the research purpose.

CHAPTER FOUR

DATA ANALYSIS AND PRESENTATION

4.1 Introduction

This study was conducted with an objective of identifying factors affecting consumer smart phone preference for international versus tecno brand specifically in Addis Ababa. The major objective of this chapter is to analyze and interpret the data collected from the questionnaire; the data obtained from the questionnaire that distributed to respondents analyzed by using Statistical Package of the Social Sciences (SPSS) version 20. To collect the study data, the researcher distributed 150 questionnaires to the purchasers of smart phone. A total of 150 questionnaires were distributed, and 147 were received back, which is response rate of 98%. This chapter presents the result of data analysis in different sections, which include demographic information; descriptive analysis and regression analysis. Finally, summary of the findings are presented.

4.2 Demographic Characteristics of Respondents

Demographic information of the respondents is presented in the table 4.1 below. It presents about age, sex, income and educational level of the respondents.

Table 4. 1Demographic information

	Category	Frequency	Percent
Age	18 - 30 years	55	37.4
	31- 50 years	62	42.2
	Above 50 years	30	20.4
Sex	Male	74	50.3
	Female	73	49.7
Income	3000-5000 birr	21	14.3
	5,001-10,000 birr	44	29.9
	Above 10,000 birr	82	55.8
Education level	9-10 grades complete	6	4.1
	Certificate	2	1.4

	Diploma	28	19.0
	Degree and above	111	75.5

Source: survey result, 2021

Based on Table 4.1, the majority of age respondents 62 (42.2%) fall in the age range 31- 50 years, followed by 18- 30 years which makes up 55 (37.4%) of the respondents while the age group above 50 years is the least with 30 (20.4%) of the respondents. Regarding sex of respondents, the majority of the respondents were males 74 (50.3%) while the remaining 73 (49.7%) were females. Concerning the income of respondents, the majority 82 (55.8%) of them were earning monthly income above 10,000 while 44 (29.9%) of them earns 5,001 to 10,000. The remaining 21 (14.3%) of the respondents earns below 3000-5000. Demographic analysis for the respondents indicates that the majority of them 111 (75.5%) were degree and above graduates while 28 (19.0%) of them have diploma in various fields of study. The remaining 2(1.4%), and 6(4.1%) were in the range certificate, and 9-10 grade complete respectively.

4.3 Descriptive Analysis

4.3.1 Brand Name

Regarding the brand name of the smart phone, the following items were asked and the responses are presented on the below table 4.2

Table 4. 2 Descriptive Statistics Brand Name

Brand name		Level of Agreement					Grand Mean
		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	
I consider the brand name of tecno phone device when I decide to purchase	No.	70	56	5	7	9	1.84
	%	47.6	38.1	3.4	4.8	6.1	
The brand of tecno phone device has good name that influences me to purchase	No.	89	40	3	6	9	1.68
	%	60.5	27.2	2.0	4.1	6.1	

I feel more secure when I buy tecno phone	No.	126	14	-	7	-	1.24
	%	85.7	9.5	-	4.8	-	
A smart phone with familiar brand name attracts me	No.	106	32	-	7	2	1.41
	%	72.1	21.8	-	4.8	1.4	

Source: survey result, 2021

As it is presented in the table 4.2 most of the responses fall in the disagree range. Therefore, these results showed that, consumers consider the brand name of tecno phone device when they decide to purchase score mean of (1.84), the brand of tecno phone device has good name influences them to purchase (1.68), feel more secure when they buy tecno phone(1.24) and smart phone with familiar brand name attracts them (1.41).

4.3.2 Consumer Preference

The average response given to the question for consumer preference of the smart phone, the following items were asked and the responses are presented on the below table.

Table 4. 3 Descriptive Statistics of Consumer Preference

Consumer Preference		Level of Agreement					Grand Mean
		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	
I feel proud to own mobile phone from brand “tecno”	No.	101	34	2	8	2	1.48
	%	68.7	23.1	1.4	5.4	1.4	
I prefer mobile phone from brand “tecno”, which increase my status and esteem	No.	79	47	4	8	9	1.78
	%	53.7	32.0	2.7	5.4	6.1	
The tecno phone is my regular choice	No.	79	47	4	8	9	1.78
	%	53.7	32.0	2.7	5.4	6.1	
The tecno phone	No.	116	22	1	4	4	1.35

is my preferred phone over others'	%	78.9	15.0	.7	2.7	2.7	
Tecno phone is congruent with my needs	No.	79	47	4	8	9	1.78
	%	53.7	32.0	2.7	5.4	6.1	
Mobile phone from brand "tecno" says a lot about the kind of person I am or want to be	No.	116	22	1	4	4	1.78
	%	78.9	15.0	.7	2.7	2.7	
Tecno phone is my favorite choice rather than imported brands	No.	116	22	1	4	4	1.78
	%	78.9	15.0	.7	2.7	2.7	

Source: survey result, 2021

As it is shown table 4.3 in the above the average response obtained for the question consumer preference of smart phone the mean value shows when they feel proud to own mobile phone from brand "tecno" (1.48), they prefer mobile phone from brand "tecno", which increase status and esteem scores (1.78), tecno phone is their regular choice scores (1.78), tecno phone is their preferred phone over others' scores (1.35), Tecno phone is congruent with their needs scores (1.78), mobile phone from brand "tecno" says a lot about the kind of person who they are or want to be scores (1.35) and tecno phone is my favorite choice rather than imported brands (1.35).

4.3.3 Price

Regarding the promotion element of smart phone, most of the responses fall in the disagree range which implies that smart phone price is one of priorities when making a buying decision, the consumers response through buying tecno is negative response rather than international smart phone that is affordable, smart phone are reasonably priced, and the smart phone are that give value for money.

Table 4. 4 Descriptive Statistics of Price

Price		Level of Agreement					Grand Mean
		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	
I buy tecno phone that is affordable for me	No.	93	39	2	9	4	1.59
	%	63.3	26.5	1.4	6.1	2.7	
The financial risk I will incur if I buy mobile phone from brand “tecno” is very low	No.	106	32	-	7	2	1.41
	%	72.1	21.8	-	4.8	1.4	
Tecno phone price is one of my priorities when making a buying decision	No.	106	32	-	7	2	1.41
	%	72.1	21.8	-	4.8	1.4	
I prefer tecno phone that is reasonably priced	No.	89	40	3	6	9	1.68
	%	60.5	27.2	2.0	4.1	6.1	
The performance risk from using mobile phone from brand “tecno” is very low	No.	101	34	2	8	2	1.48
	%	68.7	23.1	1.4	5.4	1.4	
Tecno phone is that give value for money	No.	113	25	-	5	4	1.38
	%	76.9	17.0	-	3.4	2.7	

Source: survey result, 2021

According to the response analyzed in the table 4.4, the responses fall in the disagreed

range. Therefore, the result showed that in terms of price, when they buy tecno phone that is affordable for them scores mean of (1.59), the financial risk that they incur if they buy mobile phone from brand “tecno” is very low (1.41), tecno phone price is one of their priorities when making buying decision (1.41), they prefer tecno phone that is reasonably priced (1.68), The performance risk from using mobile phone from brand “tecno” is very low and tecno phone is that give value for money scores 1.48 and 1.38 respectively.

4.3.4 Reference group

Regarding the reference group of the smart phone, the following items were asked and the responses are presented on the following.

Table 4. 5 Descriptive Statistics of Reference Group

Reference Group		Level of Agreement					Grand Mean
		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	
I buy tecno mobile phone brands that people expect me to buy	No.	110	29	-	5	3	1.38
	%	74.8	19.7	-	3.4	2.0	
I prefer or buy tecno mobile phone brands when I am sure my friends like that	No.	91	41	2	6	7	1.62
	%	61.9	27.9	1.4	4.1	4.8	
By buying tecno mobile phone brands as my friends, I achieve a sense of belonging	No.	89	40	3	7	8	1.67
	%	60.5	27.2	2.0	4.8	5.4	
If I want to be like someone, I try to buy same tecno that they buy	No.	107	31	-	8	1	1.40
	%	72.8	21.1	-	5.4	.7	

Source: survey result, 2021

Table 4.5 shows that the majority of the respondents fall in the disagreed that indicates when they buy tecno mobile phone brands that people expect them to buy (1.38), they prefer or buy tecno mobile phone brands when they become sure their friends like that (1.62), by buying tecno mobile phone brands as their friends, they achieve a sense of belonging and If

they want to be like someone, they try to buy same tecno that they buy scores mean of 1.67 and 1.40 respectively.

4.3.5 Social influence

Regarding social influence of the smart phone, the following items were asked and the responses are presented on the below table

Table 4. 6 Descriptive Statistics of Social influence

Social influence		Level of Agreement					Grand Mean
		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	
I buy tecno phones earlier than most people's around me	No.	106	29	1	8	3	1.46
	%	72.1	19.7	.7	5.4	2.0	
People who have an experience told me to as the tecno phone is best phone	No.	115	27	-	5	-	1.29
	%	78.2	18.4	-	3.4	-	
I like tecno phone that people around me like	No.	87	45	2	6	7	1.65
	%	59.2	30.6	1.4	4.1	4.8	
Tecno phone provides me with useful information and experiences, making it appear as though the quality of my life is improving	No.	85	49	2	5	6	1.63
	%	57.8	33.3	1.4	3.4	4.1	

Source: survey result, 2021

According to response analyzed in the table 4.6, the responses fall in the disagreed range. Therefore, the result showed that in terms of social influence of smart phone, when they buy tecno phone scores (1.29), they like tecno phone that people around them like and tecno phone provides them with useful information and experiences, making it appear as though the quality of their life is improving score mean of (1,65) and (1.63) respectively.

4.4 Ranking of the Criteria for Selecting a Mobile Phone

One of the research questions the study tried to answer was the selection criteria of mobile

phone preference in Addis Ababa shopping areas among Megenagna and Merkato. Accordingly, the respondents were asked to rank from a list of factors they viewed as important when deciding to purchase a mobile phone. The list of factors included namely: new technology applications (browser, social media applications...), price and product (durability, size, memory capacity, design, battery life...), ease of use, country of origin (made in), recommendation and social influence. Through this data collection the no of times, that each factors have been selected or ranked as the first priority chosen by the respondents.

Table 4. 7 Ranking of the selection criteria for mobile phone

Criteria	Frequency	Percent	Ranking
New Technological applications	43	29.25	1st
Product attributes	41	27.89	2 nd
Price	34	23.13	3 rd
Country of origin	9	6.12	4 th
Ease of Use	8	5.44	5th
Recommendation	7	4.76	6th
Social influence	5	3.4	7th
Total	147	100	

Source: survey result, 2021

Table 4.7 shows the frequency of the most important factors mentioned by the respondents when asked to rank the most important criteria, which affects their preference to purchase a mobile phone. Accordingly, new technology applications (browser, social media applications...), product attributes (durability, size, memory capacity, design, battery life) and price were ranked the top their criteria for 29.25%, 27.89% and 23.13% respectively. Country of origin, ease of use, recommendation and social influence were found to be the least important factors from the ranking criteria for 6.12%, 5.44%, 4.76, and 3.4 respectively

of the total respondents.

4.5 Inferential Analysis

4.5.1 Correlation Analysis

A correlation analysis with Pearson’s correlation coefficient was conducted on all variables in this study to explore the relationships between variables. The study is set to determine the relationship of dependent and independent variables.

For the purpose of this investigation Pearson’s correlation, analysis was used to measure the magnitude of the relationship between consumer preference and other independent variables. In addition, correlation analysis was used to provide evidence of convergent validity. Correlation analysis used to quantify the degree to which two variables are related. Through the correlation analysis, we evaluate correlation coefficient that tells us how much one variable changes when the other one does. Correlation analysis provides with a linear relationship between two variables and a correlation analysis with Pearson’s correlation coefficient was conducted on all variables in this study to explore the relationships between variables. Pearson correlation coefficient reveal magnitude and direction of (either positive or negative) and the intensity of their relationship (-1 to +1).

Table 4. 8 Correlation Analysis for Each Variable

		BN_Final	CP_Final	PRICE_Final	RG_Final	SO_INF_Final
BN_Final	Pearson Correlation	1	.745**	.745**	.454**	.554**
	Sig. (2-tailed)		.000	.000	.000	.000
CP_Final	Pearson Correlation	.745**	1	.872**	.503**	.660**
	Sig. (2-tailed)	.000		.000	.000	.000
PRICE_Final	Pearson Correlation	.745**	.872**	1	.555**	.629**
	Sig. (2-tailed)	.000	.000		.000	.000
RG_Final	Pearson Correlation	.454**	.503**	.555**	1	.816**
	Sig. (2-tailed)	.000	.000	.000		.000
SO_INF_Final	Pearson Correlation	.554**	.660**	.629**	.816**	1
	Sig. (2-tailed)	.000	.000	.000	.000	

** . Correlation is significant at the 0.01 level (2-tailed).

Source: survey result, 2021

As it is clearly indicated in Table 4.8 all independents variables had a positive correlation with each other as well as dependent variable consumer’s preference. From four dimensions of consumer preference, two of the dimensions (price, and brand name) show a strong

positive relationship with consumer preference. The table also indicates that price shows the strongest positive relationship (.872**) with consumer preference, brand name was the second strongest positive relationship (.745**) This implies that the name of the smart phones enabled the consumers to prefer to purchase. While both social influence and reference group was the third and fourth with a correlation coefficient of (.660**) and (0.503**). The table indicates that all independent variables had a positive correlation with each other as well as dependent variable consumer preference.

4.6 Regression Analysis

4.6.1 Model Assumption tests

4.6.1.1 Multicollinearity Test

Multicollinearity is the tastes of very high inter correlations or inter-association among the independent variables. Multicollinearity test in multiple regression analysis refers to the correlation among the independent variables (Kline, 1998). According to (Kline, 1998) multicollinearity is not a threat if a correlation value is less than 80%. Multicollinearity problem arises when there is a linear relationship among explanatory variables that the result could not obtain estimates of all parameters. This causes large variance and standard error with a very low t-ratio and wide confidence interval. (Gujarati, 2004)

Before conducting the multiple regression analysis, the researcher examined the result of multiple correlations among the independent variables and found out that, the pair wise correlation between the independent variables is less than 80%, as shown in table 4.9 VIF (Variance Inflation Factor).

Table 4. 2 Multicollinearity Test

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	BN_Final	.431	2.321
	PRICE_Final	.373	2.683
	RG_Final	.330	3.032
	SO_INF_Final	.282	3.549

Dependent Variable: CP_Final

Source: survey result, 2021

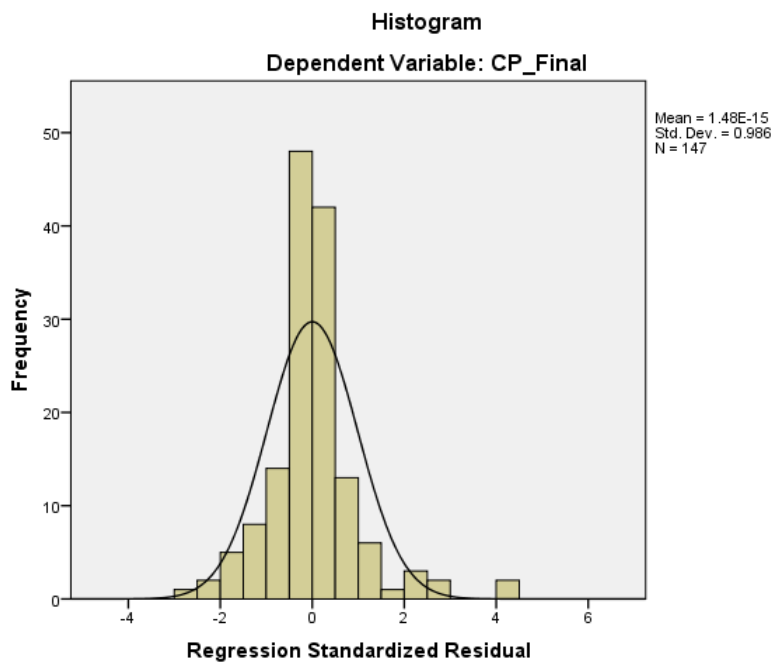
As presented in the table 4.9 the values of VIF are well below 10 the variables are said to be

collinear and suggesting that there is no problem of multicollinearity among the study independent variables.

4.6.2 Normality Test

Normality is rarely used expression, which indicates the concentration of a solution. Normality test is used to determine whether sample data has been drawn from a normally distributed population or the population from which the data came is normally distributed. The researcher used histogram to identify normal distribution of residuals and the result indicates that standard residuals are a little bit far away from the curve, many of the residuals are fairly close more to the curve and the histogram is bell shaped. This implies that the majority of scores lie around the center of the distribution (so the largest bars on the histogram are all around the central value). Therefore, this indicates that the residuals are normally distributed and there is no normality problem in estimating the relationship between independent and dependent variables.

Figure 4. 1 *Histogram Test*



Source: survey result, 2021

The normality of the population distribution forms the basis for making statistical inferences about the sample drawn from the population (Kothari, 2004). Most studies, which involve statistical procedure, work under an assumption that observations have normal distribution. Any violation of the normality rule may lead to over estimation or underestimation of the

inference statistics (Leech et al., 2005).

	N	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
BN_Final	147	1.5425	.64464	1.763	.200	3.087*	.397
CP_Final	147	1.5549	.84043	2.081	.200	3.938*	.397
PRICE_Final	147	1.4921	.73516	2.522	.200	6.677*	.397
RG_Final	147	1.5187	.69186	2.223	.200	5.475*	.397
SO_INF_Final	147	1.5034	.65884	2.031	.200	4.656*	.397

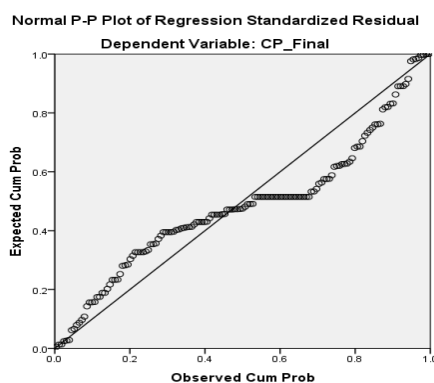
¹Source: survey result, 2021

Normality was checked by two terms i.e. kurtosis and skewness using SPSS. For kurtosis, the normal value is less than 3 whereas for skewness the normal value is supposed to be less than 6 (Asghar&Saleh 2012). Therefore, in this research, the data has been drawn from normally distributed population or the population from which the data come is normally distributed because the value for skewness is found to be normal.

4.6.3 Linearity Test (Normal P-P Plot)

As it is shown in the Figure 4.2, the P-P plot of residuals reveals no large deviation in the spread of the residuals that almost all residuals lay on the linear straight line. Therefore, this indicates that the relationship between the independent variables and the dependent variable is linear.

Figure 4. 2 Normality Test



Source: survey result, 2021

¹*The Kurtosis value for all variables is found to be greater than the standard cut of point indicating the violation of normality assumption. However, since the sample size for each variable is 147 that greater than 30, the sampling distribution tends to be normal based on the Central Limit Theorem.

4.7 Regression Result

4.7.1 Model Summary

Regression analysis is done for one of two purposes: In order to predict the value of the dependent variable for individuals for whom some information concerning the explanatory variables is available, or in order to estimate the effect of some explanatory variable on the dependent variable.

Table 4. 11 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.899 ^a	.808	.802	.37380	1.442

Source: survey result, 2021

In this study model summary is presented in table 4.11 above. This summary is used to identify factors affecting consumer smart phone preference for international versus tecno brand specifically in Addis Ababa. As it is shown in the table, R squared is 0.808 and adjusted R squared is 0.802 suggesting that 80.8% variance in the dependent variable is explained by independent variables used in the model. This implies that brand name, price, reference group and social influence affect 80.8% variation in consumer preference.

Table 4. 12 ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	83.282	4	20.820	149.006	.000 ^b
Residual	19.841	142	.140		
Total	103.123	146			

Source: survey result, 2021

ANOVA is presented in table 4.12 used to address the general objective of the study. In addition, this analysis is used to identify appropriateness of the model in estimating factors affecting consumer smart phone preference for international versus tecno brand specifically in Addis Ababa. Since the p-value for F-Statistics (0.000) less than the significance level 0.05. Statistically significant effect between independent variable selected brand name, price, reference group, social influence and dependent variable (consumer preference) where, (F) value was (149.006) at 0.000 which states that there is significant effect factors affecting consumer preference of smart phone international versus tecno brand.

4.7.2 Coefficients

The researcher used unstandardized coefficients of independent variables and their sign to analyse their effect on consumer preference. The below table 4.13 unstandardized beta coefficient, which tell us the unique contribution of each factor to the model. A high beta value and a small p value (<0.05) indicate the predictor variable has made a significance statistical contribution to the model. On the other hand, a small beta value and a high p value ($p > 0.05$) indicate the predictor variable has little or no significant contribution to the model (Brooks, 2008).

Table 4. 13 Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	-.150	.090		-1.671	.097
BN_Final	.226	.073	.174	3.095	.002
PRICE_Final	.749	.069	.655	10.872	.000
RG_Final	-.229	.078	-.189	-2.945	.004
SO_INF_Final	.390	.088	.305	4.404	.000

a. Dependent Variable: CP_FINAL
Source: survey result, 2021

As it is clearly indicated in table 4.13 in the above. Effect of brand name is positive and statistically significant in affecting that the name of smart phones enabled the consumers to decide to purchase.

Effect of price is statistically significant affecting smart phones consumer preference international versus tecno brand in Addis Ababa indicating that price is higher the decision of the consumers to prefer the smart phone is indifferent about the price variation. It has a potential positive effect.

The effect of reference group is statistically significant in affecting consumer preference international versus tecno brand but negative relationship between them. Therefore, the client decide to buy smart phone with their own choice determine through comparing durability, easy to access, color, purchasing capacity power.

Social influence model, which allows decision makers to give greater weight to the information that is inferred from the behavior of the higher, ranked other person. Social influence coefficient of variable is positive effect that other consumers who have the

experience influence consumer preference of smart phone international versus tecno brand buyers in Addis Ababa.

According to the t-statistics indicated in the table 4.13, price has highest effect on consumer preference with the value of 10.872. The second one is social influence the main factor in affecting consumer preference of smart phone for international versus tecno brand in Addis Ababa and it is indicated by t-value of 4.404. From the statistically significant variables, brand name has lowest effect on the consumer preference with t-value of 3.095.

CHAPTER FIVE

SUMMARY OF MAJOR FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

The result of the analysis of this study has been discussed in the earlier chapter. The aim of this chapter is to review the problem of the research and conclude the findings about the objectives of the study. Recommendation that focuses on how the problem identified could be address is also included in this chapter. Finally, limitation of the study and suggestion for further research is also included at the end of this chapter.

5.2 Summary of Major Findings

In this chapter, the findings from the analysis part and discussion summarized and presented related on the consumer's preference and the factors affecting consumer smart phone preference for international versus local brand. The purpose of this study, as have been pointed out in the introductory part, was to assess the consumer's preference international versus tecno brand and the factor that affect consumer smart phone preference.

In Addis Ababa, most of the consumers are exposed to a wide variety of foreign as well as local brands. Hence, this study tries to answer whether consumer prefer foreign brands to tecno brands due to the influence of western culture.

This study was conducted with an objective of identifying factors affecting consumer smart phone preference for international versus local brand in Addis Ababa. As it is mention in the scope of the research the researcher limited from local brand to only tecno smart phone brands to address this objective, factors such as brand name, price, reference group and social influence were used as independent variables. The gathered data was analyzed by explanatory analysis. The finding indicates that international mobile phone brand were the brand that consumers most prefer while, tecno were their least preferred mobile phone brands. In addition; new technology applications, product attributes and price was the top three criteria for mobile selection among consumers. However, country of origin, ease of use, recommendation and social influence were found to be the least rank important factors for consumers when deciding to prefer mobile phone. Further, the findings of the study also show that consumers indicated that friends or family and the internet were their main source

of information when it comes to information about new mobile phones. This finding indicates that consumers are highly aware of international mobile phone brands and is a major factor for their brand preference. In addition, consumers perceive that international mobile phone brands to be of high quality and superior to tecno brands.

Pearson correlation coefficient shows that there is strong relationship with two of the independent variables, which is, price, and brand name with dependent variable consumer preference i.e. 0.872, 0.745 respectively and the other two variables follow with social influence (0.660) and reference group (0.503). Concerning the individual factors, the study has found out effect of price, brand name, reference group and social influence in affecting consumer preference for international versus tecno smart phone in Addis Ababa. The result of independent sample t-test indicates that price and social influence has the highest effect on consumer preference followed by brand name with t- values of 10.872, 4.404 and 3.095 respectively.

5.3 Conclusion

In general, as per the findings of the study, the researcher provides following conclusion

- New technology applications, product attributes and price are the major criteria brands for a mobile phone consumer preference. Those three points highly affect most consumer smart phone preference for international versus tecno brand in Addis Ababa. Design of the smart phone, larger screens, durability, operating system, and substitutability with personal computers has resulted on higher preference for tecno phones in Addis Ababa
- Brand name of the smart phones is positively affects the consumer preference for international versus tecno brand in Addis Ababa. Brand name highly affects consumer preference of smart phones for international versus tecno brand Addis Ababa. Most international smart phone brands more preferred by consumers rather than tecno brands.
- Price is factor positively affect consumer preference for international versus tecno brand in Addis Ababa. price is highly take concentration for the decision of the consumers to prefer international versus tecno brandsmart phone is indifferent about the price variation.

- Social influences affect consumer preference for international versus tecno brand in Addis Ababa. Experience of others and recommendation for smart phone users enabled to decide consumer preference for international versus tecno brand in Addis Ababa.

5.4 Recommendation

The findings of this research tecno assembled company indicate the below listed points: -

- Tecno companies should concentrate on product quality and embark on intensive campaign to create stronger brand awareness and brand image. Companies need to both advertise, and to take active measures to ensure that word of mouth (WOM) and other forms of uncontrolled communication concerning their brands are positive since. WOM, along with advertising and other forms of publicity, is a core variable in building brand image. Word of mouth has high credibility which leads to brand preference
- Mobile phone companies that are currently serving and those companies that want to enter and serve this segment must provide mobile phone brands that are perceived to be high quality and have to understand what consumers market segment needs and wants should be the main primary activity for companies in the tecno mobile phone industry. Once they have established themselves in the industry must educate or create brand awareness within this segment. They should also focus on the mobile phone features to incorporate new technological applications such as connection to social media like Facebook, Twitter and other instant messaging applications, since this segment is technologically perceptive and more connected on the internet.
- To keep customer loyal, to improve tecno mobile phones in terms of quality, price, innovativeness, style, availability, attractiveness, reliability, features etc. The following general recommendations are forward. Since that brand name, price and social influence have positive effect on consumer preference for international versus tecno brand smart phones in Addis Ababa. So that tecno smart phone sellers are recommended to provide smart phones with good and popular brand name, fair price that deserve smart phone such as well designed,

that have big screens, new technological application and fast operating systems and not to inform inaccurate information for the society to build long turn relationship with the client.

5.5 Recommendation for Further studies

Even though smart phones are sold throughout Addis Ababa the findings of this study are based entirely upon the research conducted among the respondent of Addis Ababa in selected shopping area merkato and megenagna since may not be representation of whole preference of the city. This limits generalization for the company, further studies recommended considering other part of the city and to be carried out on a wider scale taking sample from the different city not only Addis Ababa but also other city shopping areas.

Future researchers can investigate consumer preference by including other factors that might influence mobile phone. In addition, this study conducted by using only questionnaire from primary data, further studies suggested to use other primary data collection techniques such as interview to identify detailed information researchers could find out more about consumer preference in Addis Ababa by applying additional that may influence consumer.

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Appendix I: Survey Instrument

ST.MARY'S UNIVERSITY

SCHOOL OF GRADUATE STUDIES

DEAR RESPONDENTS,

I am a postgraduate student at Saint Mary's university, School of Graduate Studies. I am conducting the research entitled “**(factors affecting consumer smart phone preference for international versus tecno brand specifically in Addis Ababa)**”, as partial fulfillment for the masters of business administration I kindly request you to fill this questionnaire and your genuine response to the questions contribute a lot for the quality of the research. Please know that all the information provided will be used for the purpose of this research only and your identity will be treated with utmost confidentiality. Hence, I request your support and contribution for the fulfillment of the research purpose.

Thank you in advance for your kind cooperation.

PART 1: Demographic Information

1. Age

18 - 30 years

31- 50 years

Above 50years

2. Sex

Male

Female

3. Level of Income

Below 3000

- 3000-5,000
- 5001-10,000
- 10,000 and Above

4. Education level

- 1-8
- 9-12
- Certificate
- Diploma
- Degree &Above

PART 2: Basic information on mobile phone

1) Rate the following criteria for selecting tecno mobile phone from 1 to 8 in order of importance.

Criteria	Rank
Price	
New Technological applications (browsers, social media apps...)	
Product attributes or features (durability, size, memory capacity, design, battery life...)	
Ease of Use	
Country of origin (made in)	
Recommendation	
Social influence	

PART3: Factors Affecting Consumers' Preference

Please indicate the extent to which you agree or disagree in the following statements by selecting the appropriate agreement level for following factors; where SD = Strongly Disagree, D = Disagree, N = Neutral, A = Agree and SA = Strongly Agree

Brand Name	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
I consider the brand name of tecno phone device when I decide to purchase					
I feel more secure when I buy tecno phone					
A smart phone with familiar brand name attracts me					
The brand of tecno phone device has good name that influences me to purchase					

Price	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Tecno phone price is one of my priorities when making a buying decision					
I buy tecno phone that is affordable for me					
I prefer tecno phone that is reasonably priced					
Tecno phone is that give value for money					
The financial risk I will incur if I buy mobile phone from brand “tecno” is very low					
The performance risk from using mobile phone from brand “tecno” is very low					

Reference group	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
By buying tecno mobile phone brands as my friends, I achieve a sense of belonging					
I prefer or buy tecno mobile phone brands when I am sure my friends like that					
I buy tecno mobile phone brands that people expect me to buy					
If I want to be like someone, I try to buy same tecno that they buy					

Social influence	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
I buy tecno phones earlier than most people' saround me					
Tecno phone provides me with useful informationand experiences, making it appear as though the quality of my life is improving					
I like tecno phone that people around me like.					
People who have an experience told me to as thetecno phone is best phone					

Consumer preference	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
The tecno phone is my regular choice					

The tecno phone is my preferred phone over others'					
Tecno phone is congruent with my needs					
Tecno phone is my favorite choice rather than imported brands					
I prefer mobile phone from brand "tecno", which increase my status and esteem					
Mobile phone from brand "tecno" says a lot about the kind of person I am or want to be					
I feel proud to own mobile phone from brand "tecno"					

Appendix II (Amharic Questionnaire)

ቅድስተማርያም ዩኒቨርሲቲ

በቢዝነስ አድሚኒስትሬሽን ትምህርት ክፍል የድህረ ምረቃ ፕሮግራም

ቅድስተማርያም ዩኒቨርሲቲ በቢዝነስ አድሚኒስትሬሽን የድህረ ምረቃ ተማሪዎችን ለአለም አቀፍ እና ለአገር ውስጥ ምርት በተለይም ለአዲስ አበባ የሾማች ቴክኖሎጂ ስልኮች ምርጫን የሚነኩ ምክንያቶች በሚል ርዕስ ጥናት እያደረጉ ነው።

ስለሆነም ለቢዝነስ አስተዳደር ክፍል ምሁራን እንዲያገለግል ከዚህ በታች ለቀረቡት ጥያቄዎች ትክክልነው የሚሉትን መልስ ይሰጡ ይጠበቃል። የሚሰጡት መልስ የሚውለው ለዚህ ጥናት አላማ ብቻ ሲሆን የሚሰጡት ማንኛውም አይነት ምላሽ ሚስጥራዊ ተጠበቅ ይሆናል። የእርስዎ ምላሽ ጥናቱ ለሚያስገኝ ውውጤት ከፍተኛ አስተዋጽኦ አለው። ስለሆነም ለምርመራ ማሳካት ድጋፊ ያን እጠይቃለሁ።

በቅድሚያ ለምታደርጉልኝ ትብብር ከልብ አመሰግናለሁ

ክፍል አንድ: የግልሁኔታ

1. እድሜ

€18 - 30 ዓመት

€31- 50 ዓመት

€ከ 50 ዓመት

2. ፆታ

ወንድ

ሴት

3. የገቢ ሁኔታ

ከ 3000 በታች

3000-5,000

5001-10,000

ከ10,000 በላይ

4. የትምህርት ደረጃ

- 1-8
- 9-12
- የምስክር ወረቀት
- ዲፕሎማ
- ዲግሪና ከዚያ በላይ

ክፍል 2:- መሰረታዊ የሞባይል መረጃ

5. የቴክኖ ሞባይልን ለመምረጥ የሚከተሉትን መመዘኛዎች ከ1 እስከ 8 በቅደም ተከተል ያስቀምጡ

መመዘኛ	ደረጃ
ዋጋ	
አዲስ የቴክኖሎጂ ትግበራዎች (አሳሾች፣ ማህበራዊ ሚዲያ መተግበሪያ	
የምርቱ መገለጫዎች/ባህሪዎች/ (ጥንካሬ፣መጠንመረጃ የመያዝ አቅም፣ዲዛይን፣የባትሪ ቆይታ ጊዜ...)	
ለመጠቀም ቀላል መሆን	
የአገር ውስጥ ምርት መሆኑ	
የሌሎች ሰዎች ምርጫ መሆኑ	
ማህበራዊ ተፅዕኖ	

ክፍል 3 :- በገዢዎች ምርጫ ላይ ተፅዕኖ የሚያሳድሩ ችግሮች

ለሚከተሉትመመዘኛዎችተገቢውንየስምምነትደረጃበመምረጥየሚስማሙበትንወይምየማይስማሙበትንመጠንምልክትበማድረግይግለጡ።

የምርት ስያሜ	በጭራሽአልስማማም	አልስማማም	ሃሳብየለኝም	እስማማለሁ	በጣምእስማማለሁ
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የምርቱ ስያሜ የቴክኖ ስልክ ለመግዛት እንድውስን ያደርገኛል					
ቴክኖ ስልክ ስገዛ የበለጠ ደህንነት ይሰጣል					
የቴክኖ ስማርት ስልኮች ይማርኩኛል					
የቴክኖ ስልክ ጥሩ ስለሆነ ስልኩን እንድንዘው ያደርገኛል					

ዋጋ	በጭራሽ አልስማማም	አልስማማም	ሃሳብ የለኝም	እስማማለሁ	በጣም እስማማለሁ
ለመግዛት ስወስን የቴክኖ ዋጋ ቅድሚያ ከምሰጣቸው ጉዳዮች አንዱ ነው					
ቴክኖ ስልክ ምገዛው ለእኔ ስለሚመጥነኝ ነው					
ቴክኖ ስልክን ምመርጠው ዋጋው ተመጣጣኝ (ምክንያታዊ) ስለሆነ ነው					
ቴክኖ ስልክ ለገንዘብ ዋጋ ይሰጣል					
የቴክኖ ሞባይል ስልክ በመግዛቴ ሚያጋጠመኝ የገንዘብ ስጋት ዝቅተኛ ነው					
ቴክኖ ሞባይል በመጠቀሜ ሚያጋጥመኝ የአገልግሎት ብቃት ስጋት ዝቅተኛ ነው					

ማነፃፀሪያ	በጭራሽ አልስማማም	አልስማማም	ሃሳብ የለኝም	እስማማለሁ	በጣም እስማማለሁ
እንደ ዳደሮቼ ቴክኖ ስልክ በመግዛት ባለቤት እሆናለሁ					
ምርጫዬ ወይም ምገዛው ቴክኖ ስልክ ነው					

ጓደኞቹም እንደሚወዱት እርግጠኛ ነኝ					
ሰዎች ቴክኖ ስልክ እንደምገዛ ስለሚያስቡ እገዛለሁ					
ከሰዎች እኩል ለመሆን ከፈለኩ እነሱ የገዙትን ቴክኖ ስልክ ተመሳሳይ እገዛለሁ					

ማህበራዊ ተፅዕኖ	በጭራሽ አልስማማም	አልስማማም	ሃሳብ የለኝም	እስማማለሁ	በጣም እስማማለሁ
የቴክኖ ስልኮችን ከአብዛኞቹ በእኔ አቅራቢያ ካሉ ሰዎች ቀድሜ ነው ምገዛው					
ቴክኖ ስልክ ጠቃሚ ምረጃዎችን እና ልመዶችን ይሰጠኛል ይህም በህይወቴ መሻሻልን አምጥቶልኛል					
በዙሪያዬ ያሉ ሰዎች የሚወዱትን ቴክኖ ስልክ እወዳለሁ					
ልምድ ያላቸው ሰዎች ቴክኖ ስልክ ምርጥ ስልክ እንደሆነ ይነግሩኛል					

የተጠቃሚዎች ምርጫ	በጭራሽ አልስማማም	አልስማማም	ሃሳብ የለኝም	እስማማለሁ	በጣም እስማማለሁ
የቴክኖ ስልክ መደበኛ ምርጫዬ ነው					
ቴክኖ ስልክ ከሌሎች ስልኮች ይልቅ እመርጠዋለሁ					
ቴክኖ በስልክ መጠቀም ምፈልገውን ያሟላልኛል					

ከውጭ ከሚመጡ ስልኮች ይልቅ ቴክኖ ለእኔ ተወዳጅ ምርጫዬ ነው					
ቴክኖ አቋሜን እና ክበሬን ስለሚጨምርልኝ ምርጫዬ ነው					
ቴክኖ በመጠቀሜ መሆን ምረጫውንና እየሆንኩ ያለሁትን ይገልጻል					
የቴክኖ ስልክ ተጠቃሚ በመሆኔ በራሴ ኩራት ይሰማኛል					