Determinants of Consumer's Brand Preference in Diaper Market, Addis Ababa, Ethiopia

Mentesenot Anteneh[*]

Customer Service Officer, Commercial Bank of Ethiopia, Addis Ababa, Ethiopia

Mohammed Mohammednur

Assistant Professor, St. Mary's University, P.O. Box 1211, Addis Ababa, Ethiopia

Abstract

This study is intended to investigate the determinants of consumer's brand preference for diaper products in Addis Ababa. The study adopted causal study design and quantitative research approach. Primary and secondary data were collected. To select appropriate sample size from an infinite population of diaper buyers, an infinite sampling formula was used and 384 respondents were taken randomly. Out of which, a total of 214 completed questionnaires were considered for the analysis. Descriptive and inferential statistics supported by SPSS version 20 were used. The study disclosed that there was moderate relationship between product quality (0.46), peer pressures (0.51), product advertisement (0.44) and product price (0.39). The result also showed that there was a positive and significant effect of product quality, peer pressure, product advertisement and product price on the brand preference of diaper products. Thus, it is essential to study behavioral patterns of consumers which lead to their buying preferences & influence their buying attitude towards diaper product.

Keywords: Brand preference, diaper products, product quality, advertisement, Addis Ababa, Ethiopia

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[*] Corresponding author and can be reached through: manetenh@gmail.com

1. INTRODUCTION

1.1 Background of the Study

The aim of marketing is to know and understand the customer so well that the product or service fits him and sells itself. For that reason, it is very crucial to understand the consumer behavior that is relatively the root for success for marketers. This is due to the fact that consumer behavior is the most focused area in every field of business as well as services (Anjali & Rajesh, 2017). Thogersen *et al.* (2010) stated that research on consumer behavior distinguishes between high-effort and low-effort decision-making processes. Anjali and Rajesh (2017) stated that there are individual determinants to consumer behavior in the form of personality, self-concept, motivation and involvement, learning and memory and attitude of consumers. In general, consumers are influenced by the characteristics of the situation and circumstances surrounding their shopping trip. Major situational influences include the physical surroundings, social surroundings, time, task, monetary conditions, and momentary moods (Hoyer *et al.,* 2013).

On other hand, businesses and social agencies alike frequently succeed in altering behavior by changing attitudes towards a product, service, or activity; and these changes can result in injurious or beneficial consumption decisions (Asiegbu *et al., 2*012). Following such an influence by characteristics, it is usually assumed that consumers are relatively highly involved in the purchase decision (Zanoli, 2002). Mithilesh and Neelam (2014) studied consumers' brand preference that leads to the understanding of the major factors for selecting a product, identifying its main function or benefit to consumers.

Several studies have been conducted in brand choice in different industries. Brand choice may be determined by factors relevant to the nature of product,

size and competition level of the industry. Among these, Dejene (2010) conducted a study on determinants of consumer preferences and found that income has insignificant impact up on quality price trade of among consumers of different income categories. Grimm (2005) claimed that customer preferences reflect three responses. These are cognitive, affective, and conative or behavioral. However, most of studies like Anjali and Rajesh (2017), Hoyer *et al*. (2013), Assael (2006), Dejene (2019) and Grimm (2005) presented inconsistent results and separated psychological, sociological and economic factors from brand preferences. It is necessary to focus on individual differences, social groups, different income group, product advertisement, product quality and ability to pay for products. This is to say our consumer much is different from developed countries and lower income countries. However, as far as the researchers' knowledge, there is a lack of specific empirical evidence that shows factors in determining brand choice of diaper products.

It is understood that diaper demand in Ethiopia has increased from time to time, and it makes the market dynamic and unpredictable. As per interview conducted with shoppers and retailors, marketers conduct excessive advertisement and have transmitted message widely to the market. However, customers doubt the quality and durability of the product. Consequently, consumers cannot shape their preferences among brands using rational attributes. On the other hand, marketing researchers like Anjali and Rajesh (2017) and Hoyer *et al*. (2013) identified specific factors that influence customers' decision making which include product, price and promotions. They found out that customers tend to be loyal to specific company and identified mixed results on the importance of content to customers' choices. Currently, Assael (2006) clarified that wives' choice behavior depends more strongly on their husbands' choice behavior than vice versa. Considering the inconsistency of study results reviewed above, and

lack of specific empirical evidence on the current study tried to investigate the determinants that influence the consumers' buying decision considering diaper products as a specific reference in Addis Ababa.

1.2 Objectives of the Study

The main objective of this study is to identify and analyze the determinants of consumer's brand preferences of diaper in Addis Ababa market, Ethiopia

2.   REVIEW OF THE RELATED LITERATURE
2.1 The Nature of Consumer Preference Formation

In the formation of consumer preference, there are two perspectives of preferences. First, consumers have well-defined preferences; this is linked to the archaeology uncovering hidden value. Second, consumers construct their preferences at the time of valuation; they are not simply revealed (Blackwell *et al*., 2001). The construction of preference has been the prevailing theme of behavioral decision theory. The notion of construction highlights the process of judgment and ignores the determinants of preferences, and the processed preference consumers brought to the context or choice situation (Huddleston *et al*., 2001). Consumers generate preferences for the product attributes and maintain them across different contexts while consumers can learn about the structure of the context. These context decision strategies are specific to each context and are not portable (Assael, 2006).

The two perspectives of preference formation are based on extremes, whether consumer preferences are well-defined at one stream or constructed at the other. Consequently, these two perspectives are suggested to be complementary rather than substitutes. It is assumed that the consumer has relatively stable preferences determined by the subjective assessment of the brand attributes. In

consumer behavior study, differences exist between economic theories; based on the normative assumption and consumer rationality, and the information processing theories; based on bounded rationality and regards consumer as a logical thinker. The rational assumption of the economists was then violated by early psychological theories, such as the Engel-Kollat-and Blackwell-EKB model or theory of buyer behavior then adopted the bounded rationality assumption (Huddleston *et a*l., 2001).

2.2 Determinants of Consumer Brand Preference

Consumer Brand Preferences: Consumer brand preference is an essential step to understand consumer choice behavior, and has therefore always received great attention from marketers (Huddleston *et al.*, 2001). Brand preferences reveal the type of attributes a brand possesses, to strengthen its position and increase its market share. Moreover, it forms a critical input in developing a company's successful brand strategy, and gives insight for product development (Reham, 2013). Uncovering consumer brand preferences are considered critical input to design successful brand strategy, brand positioning, and gives insights to product development. In addition, understanding brand preferences contributes in building strong brands able to build long-term relationship with consumers (Lamb, 2000). In general, consumer preferences are the subjective tastes, as measured by utility of various bundles of goods. They permit the consumer to rank these bundles of goods according to the levels of utility they give the consumer.

Product Quality: Product quality is one of the marketer's major positioning tools. It is important to note that quality has a direct impact on product or service performance; consequently, it is closely associated to customer value and satisfaction. In the contracted sense, quality can be defined as "freedom from defects." But most customer-centered companies go beyond this narrow

definition. Instead, they define quality in terms of creating customer value and satisfaction (Kotler & Armstrong, 2010).

Demographic Variables: Economic factors constitute the main influence on purchasers as of many theorists. The economic well-being of the consumers is the main consideration. Basically, if consumers have more money, they are likely to spend more (Czellar, 2003). One of the methods of categorizing consumers, therefore, is by income group.

Peer Pressure: Individuals may also have reference groups (social cliques) to which they would like to belong. They may also identify groups with which they would not wish to associate (Asiegbu *et al*., 2012).

Product Advertisement: Advertising plays an important role in the process of moving the goods/services from the producers to the consumers. With mass marketing to distribute the output of production, the GDP (Gross Domestic Product) may increase to a considerable extent (Rahman, 2012). Advertising is efficiently used with at least one other sales method, such as personal selling or point-of-purchase display, to directly move customers to buying action. Advertising is to stimulate market demand (Singh, 2012).

Product Price: Price is actually the sum or amount of money at which a product is valued, or the value which a seller sets on his goods in market. It is affected by total cost, suitable price policy and payment period (John, 2008).

2.3 Empirical Literature Review

Asia *et al*. (2015) studied on determinants of consumer preferences of branded goods and found that due to low income levels more percentage of consumers were using non branded low quality goods as they are cheaper. Results indicated that variable income, education, consumer loyalty, taste, quality, and

advertisement were positively related to the choice of branded tea while price was negatively related to the choice of branded tea. Aswin *et al*. (2012) studied on relationship between Consumer Preferences and Value Propositions based on Study of residential product. They suggested that planned community (gated) concept, security and prestige help to determine consumer preferences to purchase a specific residential product and using property developer suggested additional factors of design, accessibility, facilities and brand also influenced the price of the product. On the other hand, Jivan (2018) studied about affective, cognitive and conative factors and found out that conative (behavioral intention) is most significant, whereas cognitive (belief) is less significant for both local and international coffee shops. In addition, cognitive component has greater variation in attitude score among three components.

Dejene (2019) conducted a study on determinants of consumer preferences in Addis Ababa using consumer behavior literatures and theories. It was hypothesized that disposable income, price, quality, hygiene practices, friendliness, safety of food and range or menu variety are important determinants of consumer choice for restaurants. His finding showed that income has insignificant impact up on quality price trade off among consumers of different income categories. Peneal (2017) assessed the factors influencing consumer buying behavior towards selected fast moving consumer goods (FMCG) in Addis Ababa. This study used various variables such as product quality, price, advertisement, availability, brand equity to inquiry into the buying behavior of consumers in three FMCG products. The study used Kotler's black box model with product quality, price, availability, advertisement and brand equity as independent variables influencing buying behavior. Thus, the study disclosed that advertisement was not accepted as a significantly contributing variable within the buying behavior of laundry bar soap and packaged milk products, while it was one of the significant predictors in the

toothpaste subcategory. FMCG marketers should consider the specific target markets of their different products and brands. The significant strategy or pathway that should be adopted by the FMCG marketers in this environment is to take the issue of brand awareness as one of their top priority. Schoenfelder and Harris (2004) that stated brand preference combines the desired attributes and consumer perceptions; thus, it offers an indirect and unobtrusive way to assess salient attributes.

2.4 Conceptual Framework

The customer is influenced by the above discussed factors in making choices and preferences for fuel stations. There are various specific factors that influence customers' decision making. Customers' needs, price, promotions and loyalty are the factors that influence choice. (Goodhardt *et al*., 1987 as cited by Asiegbu *et al*., 2012).
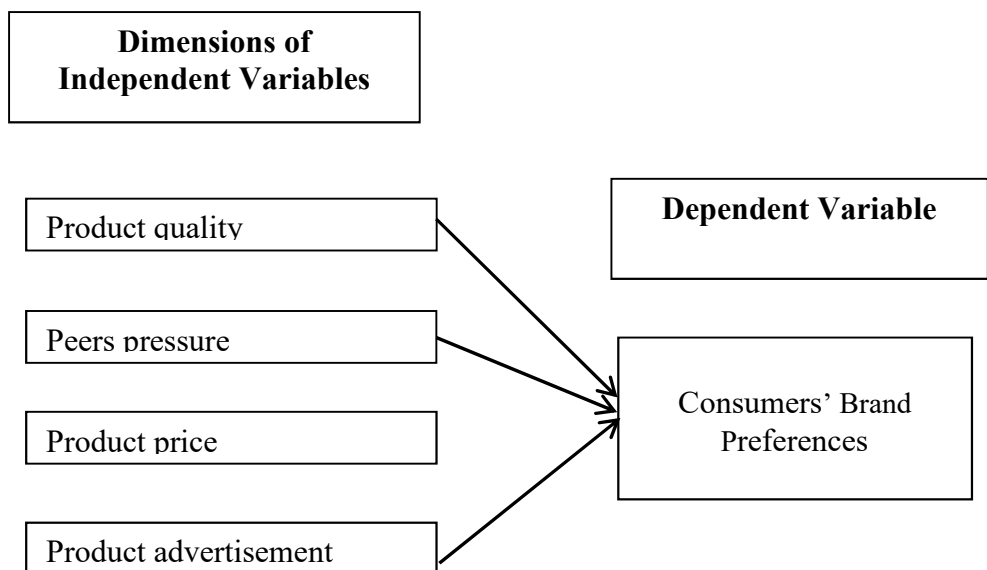

Figure 1: Conceptual Framework of the Study

Source: Adapted from Assael (2006) & Adeolu *et al.* (2005)

2.5 Research Hypothesis

Brand names help consumers identify products that might benefit them. Brands also say something about product quality and consistency—buyers who always buy the same brand know that they will get the same features, benefits, and quality each time they buy. Branding also gives the seller several advantages. The brand name becomes the basis on which a whole story can be built about a product's special qualities (Kotler & Armstrong, 2010).

H₁: Product quality is expected to have positive and significant effect on consumer band preferences for diaper products

Peer pressure has given rise to brand consciousness amongst people from all age groups and classes. Brands may vary from products to incomes. Peer pressure is always going to lead to purchasing; which product, shall be a question to be well answered. Endless products in the market can easily substitute each other (Shruti, 2017).

H₂: Peer pressure is expected to have positive and significant effect on consumer band preferences for diaper products

A study was conducted by Asia *et al*. (2015) on determinants of consumer preferences of branded goods. The study revealed that due to low income levels more percentage of consumers were using non branded low quality goods as they are cheaper. This is clearly indicating that price of the product is affecting consumers brand preference.

H₃: Product price is expected to have positive and significant effect on consumer band preferences for diaper products

Singh (2012) stated that advertising is more than a tool for selling foods and services. It has one overriding task, to position a brand in the prospectus perception or perceptual space in relation to competitors, so as to create distinctiveness and preference.

H_4: Product advertisement is expected to have positive and significant effect on consumer band preferences for diaper products

3. RESEARCH METHODOLOGY

3.1 Research Design and Approach

This study was undertaken to describe the perception of consumers' on brand preference for diaper products and determinant factors. The study also clarified the relationship between consumers' on brand preference and its factors. The researchers investigated the key determinants of consumer preferences in diaper market in Addis Ababa. Thus, the research was conducted using explanatory research design. This study utilized both quantitative and qualitative approach to investigate the determinants of consumers' brand preference and applied mathematical models and statistical techniques for data analysis. For that reason, this study used both qualitative and quantitative methods.

3.2 Data Source and Methods of Collection

As a of source data, this study used both primary and secondary sources. To gather primary data, target respondents specifically diaper product users were approached and some relevant document like prior researches were reviewed as secondary data sources. To gather the required data from the above mentioned sources, a standardized questionnaire was prepared and distributed to the targeted respondents.

It is logical that target population be determined before calculating a sample size. However, the users/buyers of the product under study were assumed to be infinite that made difficult to specify their figure. Hence, a sampling formula used for infinite population was applied to determine the sample size. The formula is:

$n = z^2.p.q / e^2$

Where,

n= sample size; z= the value of standard variation at a given confidence level and to be worked out from table showing area under normal curve; P= sample proportion; q= 1-p and e = given precision rate or acceptable error.

$n = (1.96)^2 (0.5) (0.5) / (0.05)^2$

$\underline{= 384}$

3.3 Methods of Data Analysis

The data were analysed using descriptive and inferential statistics (correlation and multivariate regression) for examining the determinants of consumers' brand preference. Once the variables are summarized descriptively, multiple Regression was also employed to identify the relationship between the dependent and independent variables. Based on the variables reviewed in the literature part, four variables - Product quality, Peer pressure, Product price, Product advertisement – were considered to be determinants of brand preference. The model specification is given below:

$Y_i = B_0 + B_1X_1 + B_2X_2 + B_3X_3 + B_4 X_4 + e$

Where

Y_i = Consumers' brand preference

The following independent variables were used to determine consumer preference diaper product (Y)

B_0 – Coefficient of constant and B1-4 are the coefficient of independent variable where

X_1 –Product quality

X_2 – Peer pressure

X_3– Product price

X_4– Product advertisement

e is the error term

4. RESULT AND DISCUSSION

4.1. Descriptive Statistics Result

As presented in table 1, the grand mean for Product Quality is4.22 and this indicates that diaper buyers consider quality products as a buying factors. With regard to peer pressure, the grand mean is 4.18 showing the target respondents are influenced by peer pressure. As it has been discussed theoretically product advertisement initiate and remind buyers to consider competing brands in a market. As theabove table indicate, the sample respondents believe the advertisements made by different diaper supplying firms is among the marketing factors initiate them to prioritize diaper brands. This is supported by mean score 4.31. On the same table, consumers confirmed that the priced being charged by different brands and sizes is considered with a mean score of 4.42. Finally consumer preference was found to be a grand mean of 4.36 which shows that consumers feel peace of mind with no worries using their favourite diaper. To sum up, the sampled consumers have agreed on all the mentioned variables with above 4 mean score (Table 1).

Table 1: Results of Descriptive Analysis

Dimensions/Variables	Mean			SD
	Grand	Minimum Items	Maximum Items	
Product Quality	4.22	4.05	4.36	.929
Peers pressure	4.18	3.64	4.43	.950
Product Advertisement	4.31	4.12	4.53	.944
Product Price	4.42	4.34	4.57	.753
Consumer preference	4.36	4.11	4.56	.893

Source: Authors' survey result

4.2 Results of Inferential Analysis

1) Results of Correlation Analysis

Pearson's correlation coefficient (r) is used to measure the strength and direction of a linear relationship between two variables. John (2007) suggested that a low correlation coefficient lies between 0.1-0.29 which can be argued that relationship between the two items is weak or non-existent.

Table 2: Pearson's Correlation Analysis Result

Variables	PQ	PP	PA	PPr	CP
PQ	1				
PP	.586***	1			
PA	.514***	.439***	1		
PPr	.312***	.332***	.337***	1	
CP	.464***	.512***	.440***	.388***	1

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

Note: PQ= Product Quality; PP= Peer Pressure; PA= Product Advertisement; PPr= Product Price; CP=Consumer Preference

Source: Authors' survey result

Table 2 shows correlation results of the study. Accordingly, the Pearson Product Moment Correlation between product quality (.464), peer pressures (.512), product advertisement (.440) and product price (.388) and consumer preference showed moderate and positive relationship between all variables and consumer preference. Asia *et al*. (2015) who conducted a related study identified that variable income, education, consumer loyalty, taste, quality, and advertisement were positively related to the choice of branded tea while price was negatively related to the choice of branded tea. Aswin *et al*. (2012) determined consumer preferences to purchase a specific residential product using property developer, and they identified additional factors such as design, accessibility, facilities and brand that influenced the price of the product.

2) Results of Regression Analysis

Multiple linear regression analysis was used to measure the statistical significance of the effect of each four individual independent variable on the dependent variable (consumer preference). Before presenting the interpretation of the coefficients it is appropriate to describe the model performance in terms of different diagnostic tests and adjusted R square values. The model was tested for normality, autocorrelation and multicollinearity problems. The results showed that the histogram and the P-P plot behaved as a bell-shaped distribution revealing that the residuals are normally distributed. The Durbin-Watson test for autocorrelation problem showed that the model has a value of 1.869, which is below 2.5 indicating that there is no problem autocorrelation. The Variance Inflation Factor result showed that all the variables had values blow 10 indicating that there is no problem of multicollinearity.

The model summary (ANOVA) result showed that the independent variables jointly and significantly explained the variation in the dependent variable (F= 30.087, p<0.01). The adjusted R^2 value which is 0.67 revealed that the regression model explained 67% of the variation in customer's preferences for diaper product with the remaining 33% is determined by factors unaccounted in this study.

Table 3: Results of Regression Analysis

Variables	Unstandardized Coefficients		Standardized Coefficients	T
	B	Std. Error	Beta	
(Constant)	1.478	.284		5.2[***]
Product Quality	.119	.059	.147	2.02[**]
Peer Pressure	.216	.053	.287	4.08[***]
Product Advertisement	.159	.060	.176	2.64[***]
Product price	.178	.057	.188	3.12[***]

Note: Consumer Preference is the dependent Variable
[***]Significant at p<0.01; [**]Significant at p<0.05
Source: Authors' survey result

To identify the individual effect of the proposed variables on the brand preference, the unstandardized beta coefficient is used. The above table depicts that Product Quality positively and significantly affects consumer's brand preference by 11.9% at p<0.05. This indicates, as product quality is increased by 1%, customers brand preference for diaper product increase by 11.9 %, keeping all other independent variables constant. Peer pressure is found to be a factor with the highest positive effect, i.e., 21.6% on the dependent variable at p<0.01. As peer influence increase by 1%, brand preference of diaper product responds by 21.6%, again *citrus paribus*. The same result table also indicates positive and significant effect of product advertisement on the diapers brand preference. Statistically, as product advertisement increase by 1% brand

preference responds by 15.9%, *citrus paribus*. Finally, product price has statistically positive and significant effect on diaper brand preference with B = 17.8% at p<0.05. When the product price changes by 1%, the brand preference towards diaper products changes by 17.8%.

This study has similar with the outcome of Dejene (2019) who argued that price, quality, friendliness, and variety product and service found to be statistically significant. Other study stated that consumers, in general, are influenced by characteristics of the situation, circumstances surrounding their shopping trip. ICMR (2003) found that most of the studies focused on specific factors such as ethnocentricity, quality price, color scheme, country of origin and others. The equation of multiple regressions is generally built on two sets of variables, namely dependent variable and independent variables. The basic objective of using regression equation on this study is to make the researcher more effective at understanding, describing, predicting, and controlling the identified variables.

5. CONCLUSION

Based on the findings discussed above, the following conclusions are drawn. Consumer choice making or buying process has various stages that include need recognition, information collection, and evaluation of substitutes, purchase and subsequent to purchase assessment. Consumer passes through various stages during every purchase. Consumers are inclined to select a brand that they consider congruent with their self-perception. In this particular way, each consumer at an individual basis tries to reflect his or her own identity through choice. As part of a larger social group when consumer choices incline to converge to a certain pattern, they form the basics of an individual social identity. Similarly, brand preference is viewed as a key step in consumer

decision making, involving elements of choice. In creating brand preference, consumers compare and rank different brands by focusing on their uniqueness defined by brand preference as the extent to which the customer favors the designed service provided by his or her present company, in comparison to the designated service provided by other companies in his or her consideration set, with a thought of referring to brands that a consumer would consider buying in the near future. Also, product quality, peer pressure, product advertisement and product price have a positive effect on consumer brand preferences.

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