

### ST. MARY'S UNIVERSITY SCHOOL OF GRADUATE STUDIES

# THE EFFECT OF PROMOTION MIX ELEMENTS ON BRAND PREFERENCE TOWARDS PACKAGED BABY FOODS: THE CASE OF CERIFAM BRAND OF FAFFA FOOD S.C., ADDIS ABABA

BY

**SERKALEM BADARGA** 

**JUNE 2021** 

**ADDIS ABABA** 

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BY

**SERKALEM BANDRGA** 

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ADVISOR: MESFIN WORKINEH (PhD)

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#### **BOARD EXAMINERS APPROVAL FORM**

THE EFFECT OF PROMOTIONAL MIX ON BRAND PREFERENCE TOWARDS
PACKAGED BABY FOODS: THE CASE OF CERIFAM BRAND OF FAFFA FOOD
S.C., ADDIS ABABA

## BY SERKALEM BADARGA

#### **APPROVED BY**

Dean, Graduate	Studies Signature & Date
Advisor	Signature & Date
External Examiner	Signature & Date
Internal Examiner	Signature & Date

#### **DECLARATION**

I, the undersigned, declare that this thesis "THE EFFECT OF PROMOTION MIX ELEMENTS ON CONSUMER BRAND PREFERENCE TOWARDS PACKAGED BABY FOODS: THE CASE OF CERIFAM BRAND OF FAFFA FOOD S.C., ADDIS ABABA" is my original work, prepared under the guidance of Mesfin Workneh (PhD). All sources of materials used for this thesis have been duly acknowledged. I further confirm that the thesis has not been submitted either in part or full to any other higher learning institution for the purpose of earning any 2<sup>nd</sup> degree.

Name	Signature
St. Mary's University, Addis Ababa	June 2021

#### **ENDORSEMENT**

This thesis has been submitted to St. Mary's Ur	niversity, School of Graduate Studies fo
examination with my approval as a University advis	sor.
Advisor	Signature
St, Mary's University, Addis Ababa	June 2021

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#### **ABBREVATION AND ACRONYMS**

**B2B** Business-to-Business

**Business-to-customer** 

**DAGNAR** Defining Advertising Goals for Measured Advertising Results

**ECIC** Ethiopian Chemical Industry Corporation

**ERCA** Ethiopian Revenue and Custom Authority

**FMCG** Fast Moving Consumer Goods

**HR** Human Resource

IMP International Marketing and Purchasing Group

**RBV** Resource Based View

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# ABSTRACT This study sought to investigate the effect of promotion mix elements on brand preference towards packaged baby foods: the case of Cerifam brand of FAFFA Foods S.C., Addis Ababa. Quantitative approach along with explanatory research design was applied. Customers (mothers in this case) of Cerifam brand products were taken as study

population. Convenience non-probability sampling was applied to select the targeted respondents from the targeted sampling frame. The calculated sample size counted 385 respondents, of which 305 usable responses were collected through self-administered questionnaire adopted from previous study. These primary data, collected through questionnaire, were coded and analyzed with the help of SPSS 21.0. The Results of the findings revealed that all promotional mix dimensions, showed positive and significant relationship with brand preference in the context of Cerifam customers in Addis Ababa. It also endorsed that all independent variables had positive and statistically significant effects on consumer brand preference. Specifically, Word-of-Mouth Publicity also had relatively the highest effect on Cerifam brand preference by the respondents next to advertising. It is evidenced that mothers are more conscious on their baby's concern for the sake of their safeties and wellbeing. They are prone to believe the information from previous users, families and friends in particular. This leads to increase the influence of word-of-mouth promotion on purchase decision of products and services. Thus, one can concluded that word of mouth had strong positive effect on mother's choice of packed bay foods in Addis Ababa. Marketing managers should consider and exert more efforts on these variables so as to increase customer brand preference.

**Keywords:** Word-of-Mouth Publicity, Promotion Mix, Advertising, Consumer Preference, Cerifam Baby Foods.

#### CHAPTER ONE

#### INTRODUCTION

#### 1.1. Background of the Study

In contemporary marketing area, it is necessary for organizations to understand why marketing communication programs have become so important in their activity. Marketing communication has evolved to encompass the coordination of all promotional activities to produce a unified, customer-focused message (Ferrell and Hartline, 2008). Traditional components of the marketing mix - the product, price, placement (distribution) - are not longer as efficiently as they were in the past. When the market passed through a slow period of development, these proved to be particularly useful in the work of any organization. But today, the elements of the traditional marketing mix have lost of their value as a competitive weapon. Thus, that many ways to obtaining a product can be copied by competitors in a very short period of time. The experience the organizations in providing value of the products, in a traditional way, is replaced today with the design and manufacture their assisted of computer or robotics. Also, any form of distribution can be easily reproduced competition.

In a parity market, the only way by which organizations may be differentiated is communication. The marketing communication can provide a real sustainable competitive advantage to any organization that leverages its potential. In an economy with highly competitive, organizations must capitalize the integrated marketing communication in the most effective way, to ensure the creation and maintenance of long-term relationships with current and potential customers. According to Ayanwale (2005) promotion strategies are one of the important tools in differentiating products and services from strategic competitors through developing demand and awareness of the product in the consumer mind when making a purchase. Traditional promotional mix in an integrated manner is one

of the easiest ways to target consumers' and a helping tool in playing a role in shaping life and influence the decision of purchasing new product or of established one in existing fast-moving consumer goods.

The competition of fast-moving consumer goods (FMCG) marketing business is more intense. Manufacturing companies need to adapt their internal management strategies to boost sales by developing quality product and promoting it through effective promotional mix tools. Although business development to penetrate the competition and to continue to operate is required the development and improvement of the product being up-to-date, unique to the products continuously results in leading to a number of new entrepreneurs (Meejaisue, 2017). However, no longer enough to have an excellent product at an excellent price. Thus, to keep and increase revenues, local FMCG manufacturers must find some way of differentiating themselves from other local and imported competitive products through creating awareness to the target customer. Companies which engaged in a food processing industry in Ethiopia are struggling to sustain and increase its market share against the crowding of imported canned baby foods. FAFFA Food Share Company is not far from this fact.

FAFFA is one of the pioneers of the food processing industry in Ethiopia. Its mission aims to reduce the risk of malnutrition among children by producing low-cost high protein food for children who are being weaned from breast milk (Zelalem, 2019). It is one of the top suppliers of baby foods including fortified foods and breakfast cereals. Its commercial products provide the needed nutrition for children that make it one of the prominent suppliers of relief products to areas afflicted by malnutrition and in severe cases, famine. It produces and sells various kinds of pre-cooked baby foods, semi-cooked supplementary foods, protein enriched fortified flours emergency foods and related products of high nutritional value that are also affordable in response to the growing demands of consumers. However, the stiff competitions due to imported similar products suffocated the local market and have gained momentum in consumer preference (Frehiwot, 2019).

According Zelalem (2019), consumers in developing countries are more prone to be easily influenced by country-of-origin as well as positive word of mouth from their friends or intimate ones.

Having realized the influence of word-of-mouth (WOM) on consumer behaviour, FAFFA gave up from traditional marketing strategies and opt for including WOM publicity in its marketing mix or launching WOM campaigns. However, there is still a gap in understanding word-of mouth marketing owing to the fact that most attempts to implement it is still based mostly on intuition or error procedures (Fitsum, 2021). Furthermore, although there have been several researches conducted on promotional mix practices and their effect on brand preference, there is still confusion with publicity and its implementation through WOM campaign.

Various means of traditional marketing are employed to attract customers, and as traditional promotional mix is one of the forms of promotion with the quickest results, it is in the best interest of FAFFA Foods to understand effectiveness of traditional promotion mix practices after the commencement of WOM campaign and how WOM publicity affects consumers behavior. The aim of this study was, thus, to investigate the various forms of promotional mix tools used by the managements of FAFFA Foods S.C. in Addis Ababa and how consumers rank these promotions relative to each other and how those tools affect consumer brand preference were the main focus of this study.

#### 1.2. Statement of the Problem

Promotion plays an important role in developing sales and market share (Kotler & Keller, 2011). FMCG companies spend a large share of their annual budgets in marketing communication activities which include advertising, sales promotions, direct marketing and personal selling amongst others. The purpose is to achieve profitability by driving sales of their products (Kotler & Keller, 2011). In this case, FAFFA's principal marketing objectives are to reach its target groups and make more than a single sale. However,

consumers almost always approach the marketplace with a well-established set of tastes and preferences for flooded imported products, highly influenced by country-of-origin and positive WOM (Hoyer & Brown, 1990). This makes it difficult for local branded products, like Cerifam, to position itself within the already flooded market demands results in creating challenges which could be hard to easily enhance by traditional promotional mix strategies alone.

Traditional promotion mixes in an integrated manner tend to be highly informative and present the customer with a number of important product attribute or features that will lead to favorable attitudes and can be used as the basis for a rational brand preference (Arens, 1996). Many methods of marketing can and are employed by businesses to gain a stronger hold of their respective markets. Within the FMCG business, with many of the major competitors offering the same or similar products at the same or similar prices, it is necessary for companies to stand out from each other so that they can maximize their profits (Cummins, 1998). In the marketplace, consumers often face situations of selecting from several brand options but most of have information gathered from their friends or relatives. Today, consumers receive more than three thousand messages per day through traditional marketing channels (Shenk, 1997). As a result, new consumers began not to believe in the messages they are directed at every day by the companies, but prefer opinions from their family members, friends and peers, i.e., their social network, which they consider trustable and no commercial purpose.

Brand preference represents consumer dispositions to favor a particular brand which refers to the behavioral tendencies in reflecting the extent to which consumers' favors one brand over another (Hellier, 2003; Overby & Lee, 2006). It is thus imperative to understand the buyer in order to accurately meet their dynamic and evolving needs to achieve this objective. An understanding of the influence of advertising, sales promotion, direct marketing, personal selling and WOM publicity is essential for marketers in order to develop suitable promotional mix to appeal to the target customer (Kotler, 1994).

In Ethiopian context, extant researches show that promotional mix tools have significant effect on consumer brand preferences in brewery industry (Aynalem, 2016; Frehiwot, 2016; Teklematiam, 2017). They tried to investigate the effect of each promotional mix practices such as advertising, sales promotion, digital marketing, personal selling and public relations& publicity on brand preference. According to Zelalem (2019), marketers in Ethiopia are presently confronted with the challenge of developing relevant contents and then later finding a medium that would effectively deliver the message to their target audience. Seasonal advertising increases sales volume to some extent for short period of time and then consumers easily shift to other brands, especially imported baby formulas in particular (Singh, 2012; Aron, 2013; Adeole, 2015). However, the influence of word-of-mouth publicity is the area which has been given less attention in their studies.

In this regard, FAFFA company is indifferent and spends millions of birrs on promoting its products in different holiday events. On top of that, the marketers commenced WOM publicity campaigns but literally failed to achieve its sales objectives for years with lots of budget spent (Fitsum, 2021). This implies that there is a lack of thorough investigation on effectiveness of promotional mix elements in terms of advertising, sales promotion, direct marketing, personal selling and WOM publicity and their influences on consumer's attitude towards Cerifam brand. According to Peterson (2019), despite the effectiveness of the traditional promotional mix strategies, consumer's positive attitude and perception towards a product drive users to say positive words and possibly recommend it to others.

Based on recommendations between two or more consumers related to a product or service, WOM is regarded as the most credible source of information and the most powerful tool to influence consumer purchase decision. Today, more and more companies have begun to include word-of-mouth in their marketing mix. For the majority, it's known but not yet fully understood. This study, thus, seeks to investigate the effect of promotional mix practices on consumer brand preference in the case of Cerifam brand, a locally packed baby formula in Addis Ababa. The output of this study is believed to fill the

aforementioned empirical and practical gaps through addressing the influence of promotional mix practices on brand preference taking FAFFA's Cerifam brand as a case.

#### 1.3. Research Ouestions

The main objective of the study is to address the main research question of how integrated marketing communication practices affect the consumer brand preference in the case of Cerifam brand packed baby foods packed by FAFFA foods S.C. those things achieved by addressing the following specific

Research questions. The research questions are

- 1. What is the effect of advertizing on brand preference of Cerifam baby formula?
- 2. How does the sales promotion of Cerifam baby formula affect consumer brand preference?
- 3. What is the effect of direct marketing on consumer brand preference of Cerifam baby formula
- 4. What is the influence of personal selling on brand preference of Cerifam baby formula?
- 5. How does public relations/publicity affect brand preference of Cerifam baby formula?

#### 1.4. Objectives of the Study

#### 1.4.1. General Objective

The general objective of this study is to investigate the effect of promotional mix practices on brand preference mediated by word-of-mouth in the case of FAFFA's Cerifam brand baby formula.

#### 1.4.2. Specific Objectives

- 1. Investigate the effect of advertising on brand preference of Cerifam Baby Formula
- Analyze the effect of sales promotion of Cerifam Baby Formula on consumer brand preference

- 3. Evaluate the effect of direct marketing on consumer brand preference of Cerifam Baby Formula
- 4. Analyze the influence of personal selling on brand preference of Cerifam Baby Formula
- 5. Investigate the effect of word-of-mouth publicity on brand preference of Cerifam Baby Formula

#### 1.5. Significance of the Study

The study is believed to add new knowledge regarding integrated marketing communication and consumer brand references towards packaged baby food products. The study therefore intended to fill the gap in identifying the effects of integrated marketing communication on brand preference in Ethiopian baby food manufacturing industry's context.

A clear understanding of the factors that are perceived to be important in influencing consumers' brand preference is critical to ensure that a company's marketing efforts are matched with the needs of consumer brand preference. Therefore, the study can help marketers to design a better marketing communication strategy by identifying the promotional mix tools that consumers perceive to be important in influencing their respective preferences.

This research also helps packaged baby food manufacturers to understand the factors influencing the preference of baby food products which could better improve the standard of their products in the local market. Furthermore, the study gives insight for other researchers to explore and investigate more in the area, in a broader scope and wider context.

#### 1.6. Scope of the Study

The population of the study is limited to Addis Ababa, capital city of Ethiopia. This geographical delimitation is not only chosen because of time, access and cost restriction,

but also it is believed that a considerable number of packed baby food (Cerifam in this case) consumers are residing in the city.

Conceptual scope is delimited to promotional mix and word of mouth influence on brand loyalty. Promotional mix practices namely advertising, sales promotion, direct marketing, personal selling and public relations are considered as independent variables or predictors of consumer brand preference. And word of mouth as a mediator variable. Other factors that affect consumer brand preference such as consumer ethnocentrism, corporate image, price and consistent availability, are deliberately excluded as out of the scope of this study.

Methodological scope is also delimitated by only focused on consumer's purchase intention towards Cerifam brand, a processed and packed baby food supplied by FAFFA. Thus, data were collected from customers of Cerifam brand but other consumers of packaged baby foods who are assumed to constitute a potentially large group of packaged baby foods (Cerifam brand) are also excluded.

Furthermore, this study focuses only on the influence of integrated marketing communication practices on consumers brand preference of packed baby food products. The integrated marketing communication

#### 1.7. Limitation

Every research has its own certain limitations hence it is necessary to acknowledge them before moving on to generalizations of findings. Regarding the sample size and sampling technique used in this study, it affects the generalizability of the findings for the fact that sample respondents were selected per researcher's convenience. It might not fully represent the behavior of the entire population (all packaged baby food consumers). As the convenience non-probability sampling was used, subjective and methodological biases were induced to some extent. Had it been the random sampling is used, it would have contributed a higher credibility of the results. Besides, the study relates to the factors that

consumers perceive to be important in brand preference of packaged baby foods products; it only focuses on five dimensions of promotional mix. As per different researches in different times, so many other factors can enhance consumers brand preference towards packaged packed baby food products. Therefore, further investigation on factors that affect brand preference should be seen from income, country of origin, and trust perspective. Exclusion of these and other unmentioned factors also affect the generalizability of the findings to some extent.

#### 1.8. Defining of Key Terms

**Marketing Communication** - Marketing communication is defined as a process for planning, executing and monitoring the brand messages that create customer relationships (Duncan, 2005).

Consumer Buying Behavior - Consumer buying behavior is the study of how and why people consume products and services. It also investigates behavior which is the earlier process of buying, the process of purchasing and the next purchase after buying (Yakup&Savl, 2011).

**Advertising -** Advertising is any paid form of non-personal presentation & promotion of ideas, goods, or services by an identified sponsor. In simple words, Advertising is a means of informing and communicating essential information (Kotler & Armstrong, 2008).

**Sales Promotion** - Sales promotion is any initiative undertaken by an organization to promote an increase in sales, usage or trial of a product or service (i.e., initiatives that are not covered by the other elements of the marketing communications). Sales promotions are varied (Kotler, 2011).

**Personal Selling -** Personal selling is the oral presentations made by the individual salesperson. In this case a conversation with one or more prospective buyers who intended to create sales (Kotler, 2003).

**Social Media -** Social media marketing is about using social networking platforms such as Face-book, Twitter and Pinterest to deliver a message. It takes advantage of these channels' massive user bases, innate engagement opportunities, and potential for virality to connect to consumers directly and spread information rapidly (Włodarczyk, 2014).

**Word of Mouth Publicity -**word-of-mouth marketing can be defined as giving consumers a reason to talk positively about a product or a service with other consumers. (Andy (2009, p. 27).

#### 1.9. Organization of the Study

This thesis are categorized into five main chapters. The first chapter refers introduction of the study which includes the background, the problem statement, the research objectives, hypotheses, significance and scope of the study. The second chapter focuses on literature review. It contains relevant theories, conceptual and empirical discussions leading to identification of research gaps and the conceptual framework. The third chapter presents the research design, target population, sampling methods, sample size, data collection instruments have been used as well as method of data analysis and presentation. The fourth chapter deals with demographic characteristics, descriptive and inferential statistics analysis, findings and their interpretations. The last chapter consist summary of major findings, conclusions and recommendations of the research study.

#### **CHAPTER TWO**

#### REVIEW OF THE RELATED LITERATURE

This chapter reviews the concepts and theories relevant to promotional activities. The literature review consists of the following sections: definitions and concepts of promotions and promotional goals, business objectives and sales promotions, attitude and the consumer buying process.

#### 2.1. Theoretical Review

#### 2.1.1. Marketing Communication

The theoretical foundations used in this study include the AIDA Model, DAGMAR Model and the Hierarchy of Effects Model. These three models describe three methods that help with the outlining and achievement of promotional goals by companies. The means by which these promotions are employed vary with different sales promotions and advertisements can help to achieve the promotional goals as a part and alongside sales promotions. There are theories within external marketing communication that has been highly influential in both textbooks and in the professional advertising practice (Hackley, 2005). The 'hierarchy of effect' approach is grounded on the base that to be effective and achieve the desired response, several steps have to be completed and passed. Any piece of persuasive communication must carry the audience through the series of stages that has been drawn. These stages are placed so that a customer has to climb them and one step.

#### 2.1.1.1. AIDA Model

One classic model for how promotional goals is outlined and achieved is described using the AIDA model, with AIDA being an acronym for what promotional activities aim to draw from customers: attention, interest, desire, and action. Since it is necessary for a customer to know a product exists before considering purchasing the product, gaining the attention of the target market is the first major goal of many promotional campaigns. Once attention of consumers is attracted, the next step in the AIDA model is the sparking of interest in a product by demonstrating features, uses, and benefits of the product. Next,

desire in the product must be stimulated by displaying product superiority and the ability of the product to specify needs. The final step in the AIDA model is the push of the customer towards the final action of purchasing the product (Ferrell & Hartline, 2008).

Along with the AIDA model, also known as the persuasion model, the involvement model is a second classic theory on how promotional goals are outlined and achieved. Under the involvement model, only after taking the action of trying and using a product do people begin to take serious note of its advertising and form any attitude towards it (Cummins, 1998). In the AIDA model, the consumer is persuaded into action after being made aware of the product and having interest and desire in the product sparked. With the involvement model, the customer first takes action by using a product and after being involved with the product, comes to take notice of ads and other means of promotion before developing an attitude for the product (Cummins, 1998).

Advertisements are examples of supermarkets attempts to initiate the first step in the AIDA model, gaining attention. An example of the interest portion of the AIDA model being applied in stores is when supermarkets offer free samples or demonstrations in attempts to push customers closer towards a product purchase. Promoters stationed near displays are examples of aspects of promotion which try to increase the desire on the part of consumers in the purchase of a product. After attention is gained, interest is sparked, and desire is increased, coupons and trial-size packaging along with other types of promotion will try to push the customer towards the final action of buying the product.

An example of the involvement model taking place would be a supermarket being out of one brand of cookies. A customer who normally buys the brand which is out of stock instead buys a different brand of cookie because they have a strong desire to eat cookies. After trying the new brand, the customer is more pleased with the new brand than with their original brand and begins to pay attention to ads and other promotions from the company which sells their new brand of cookie. The customer's attitude towards the

company and the brand shifts in a positive manner after trying the new cookie brand the first time, and from there, the customer takes more notice of the company and its products via ads and their products.

Although people will tend to lean towards either the persuasion (AIDA) model or the involvement model, most people (and firms) will typically stress one or the other. Those which stress the attitude of customers and tend towards promotions initially aimed at creating attention and changing attitudes will more likely follow the persuasion model whereas those who believe more in the involvement model will tend towards marketing programs that more directly impact customer behavior and believe that the desired attitude will follow from there (Cummins, 1998).

As both the persuasion model and the involvement model are still believed in and used by many people, the promotional campaigns which people (and firms) develop will vary depending on in which of the two models they more strongly believe. This in turn leads to various forms of advertisements and promotions on the part of companies.

#### 2.1.1.2. DAGMAR Model

Russell Colley created DAGMAR when he prepared a report for the Association of National Advertisers. This report was entitled (Defining Advertising Goals for Measured Advertising Results), shortened down to DAGMAR, and thereof the name, Belch & Belch, (1995) and was later in 1969 published as a book with the same title.

DAGMAR was created to encourage measurable objectives for each stage of the communication Smith & Taylor, (2002) and does not deal purely with the message (Mackay, 2005). DAGMAR focuses on the levels of understanding that a customer must have for the organisation and on how to measure the results of an advertising campaign. The main conclusions on the DAGMAR theory were expressed in the following quotation: All commercial communications that weigh on the ultimate objective of a sale must carry a prospect through four levels of understanding: the prospect must first be aware of the

existence of a brand or organization; he must have a comprehension of what the product is and what it will do for him; he must arrive at a mental suspicion or conviction to buy the product; and finally he must stir himself to action (Mackay, 2005). The communication has to be specific and measurable, and is therefore based on a hierarchical model containing the four stages set out above in the quotation.

The DAGMAR approach has had a huge influence on the how to set objectives in the advertising planning process and many planners use this model as their base. However, just as the other approaches within advertising, DAGMAR has been met with critique. One of the major criticisms towards DAGMAR is on its reliance on the "hierarchy-of-effects theory", just as with AIDA. Customers do not always pass through the stages in a linear way. Another criticism made towards the DAGMAR approach is that it focuses too much on strategies. Many creative people within advertising are looking for the great unique idea that can result in a successful campaign and feels that the DAGMAR approach is too concerned with quantitative measurements on the campaign Belch & Belch, (1995)

#### 2.1.1.3. Hierarchy-of-Effects Model

This model was published during the same period as DAGMAR. The model was named the hierarchy-of-effects model which is the same name as some authors used on the foundation theory, and will therefore go under the name, Lavidge &Steiners Hierarchy-of-effects model in this study. According to this model customers do not switch from being completely uninterested to become convinced to buy the product in one step. Lavidge and Steiners Hierarchy-of-effects model is created to show the process, or steps, that an advertiser assumes that customers pass through in the actual purchase process (Barry & Howard, 1990). The model is based on seven steps, which as with the other models must be completed in a linear way.

The big difference between this model and the others is not only the steps, but also the view on how to pass them. Lavidge& Steiner (1961) write that the steps have to be

completed in a linear way, but "a potential purchaser sometimes may move up several steps simultaneously. Lavidge & Steiner (1961) which is supported by Munoz (2002) who writes that normally ultimate customers do not switch directly from being interested to become convinced buyers.

Lavidge and Steiner identify the seven steps in the following order: 1. close to purchasing, but still a long way from the cash register, is those who are merely aware of its existence.

2. Up a step are prospects who know what the product has to offer. 3. Still closer to purchasing are those who have favorable attitudes toward the product those who like the product. 4. Those whose favourable attitudes have developed to the point of preference over all other possibilities are up still another step. 5. Even closer to purchasing are customers who couple preference with a desire to buy and the conviction that the purchase would be wise. 6. Finally, of course, is the step which translates this attitude into actual purchase. Lavidge and Steiner (1961) also wrote, in their article, that they are fully aware of the impulsive purchases that customers can make, but they mean that for higher economical goods these steps are essential for the advertiser to include. This model also has as a premise that advertising occurs over a period of time, and may not lead to immediate response and purchase. It is rather a series of effects that has to occur, with each step fulfilled on the way towards the next stage.

Behind this model is according to Belch & Belch, (1998) the premise that "advertising effects 19 occur over time and advertising communication may not lead to immediate behavioral response or purchase, but rather, consumers must fulfill each step before (s)he can move to the next stage in the hierarchy" Belch and Belch, (1998).

As with the former models discussed, this model has also been criticized. The criticism on Lavidge & Steiners model is very similar to the one made on DAGMAR and AIDA. There is still no evidence on the fact that awareness of a products leads to purchase, and the steps are still unclear. Criticism has also been made on each individual step in the model. Critics

do not think that the model explains how the customers will go from one step to another and to point out the steps without explaining them further is not seen as enough (Palda, 1966).

#### 2.1.2. Promotional Mix

The concept of promotional mix is not new, but it has become more popular recently with technology advancements and increase in international marketing activities. According to Kotler & Armstrong (2008), marketing communication is a result of necessity to shift towards wider range of media and communication approaches, due to the fact that modern consumers are bombarded by commercial messages from a broad range of sources, but do not distinguish between message sources the way marketers do. In the consumer's mind, messages from different media and promotional approaches all become part of a single message about the company. Conflicting messages from these different sources can result in confused company images, brand positions, and customer relationships.

Marketing communication represents the "voice" of the company and its brands and is the means by which it can establish a dialogue and build relationship with customers (Shakeel-Ul-Rehman 2011). Integrated marketing communication is carefully integrating and coordinating the company's many communications channels to deliver a clear, consistent, and compelling message about the organization and its products (Kotler & Armstrong 2008). Hence, integrated marketing communication is a tool, which is used by various types of businesses to communicate customer value on a new level of marketing. In accordance with Pickton Broderick (2005), synergy - the effect of bringing together marketing communication in a mutually supportive and enhancing way so that the resulting whole is greater than the sum of its parts; takes place by integrating the range of promotional mix elements.

In this case opportunities are created to improve the effectiveness of the total marketing

communications effort. In other words, integrated marketing communication can be described as a unified approach to using marketing communication tools to create coherent message for the audience. Hence, by sending out same consistent message through different marketing tools greater impact can be achieved. Integrating marketing communication tools and making it speak the same language, delivering the same message to the audience is the most logical approach to develop marketing strategy for business unit due to the fact that one of the marketing communication's objectives is to get higher response rates.

#### 2.1.3. Promotion Mix

Promotion consists of communicational efforts in order to persuade the consumers to accept the services offered in the tourist market (Kozak, 2006). Promotion is one of the marketing activities together with product design and development, pricing and distribution (Kotler and Armstrong, 2001). Promotion is to make a product, an institution, a person or an idea known and accepted by the public, particularly by the target market 2006). Promotion means using the informative, monitory and persuasive every publicity efforts in order to increase the product sales or to ease the acceptability of an idea Promotion can be used as a tool of marketing (Minh, 2007) or marketing efforts to send messages to the target market by the business enterprises in order to give information about the products offered to the consumers and create positive image about the business enterprises, hence it can act as a strategic marketing tool in the development and the sustainability of the businesses.

The power of branding and brand loyalty require intensive promotional efforts in the tourism industry as it happens in many other industries (Erol, 2003). Promotional activities are gaining more and more importance on in today's competitive business environment because of the increasing geographic and cultural distance between the producers and the consumers, increased number of consumers as a result of increased population, growth of

markets as a result of revenue growth, increased competition as a result of substitute products, increased and spreading number of intermediaries, changing in consumer needs and wants as a result of increased per capita income, consumers' seek of difference, high quality and featured products, seasonal variations in the demand, and increased brand loyalty among the consumers. Possible objectives of promotion are to create awareness, stimulate demand, encourage product trial, identify prospects, retain loyal customers, facilitate reseller support, combat competitive promotional efforts, reduce sales fluctuations (Peter, 1998). Real estate industry is not exceptional to the above given features of promotional efforts.

Marketing communication is the boost for promotional mix elements, whether it is advertising, direct marketing, interactive/internet marketing, sales promotion, publicity/public relations or personal selling, combining these disciplines to provide consistently and clearly a maximum communication impact. Promotion has been defined as the coordination of all seller-initiated efforts to set up channels of information and persuasion to sell goods and services or promote an idea (Shakeel, 2011).

#### 2.1.4. Tools of Promotional Mix

In accordance with Kotler & Armstrong (2008), a company's total promotion mix – also called its marketing communication mix – consists of the specific blend of advertising, sales promotion, public relations, personal selling, and direct marketing tools that the company uses to persuasively communicate customer value and build customer relationships. Understanding that each promotion tool has unique characteristics and costs enables marketers to shape the promotion mix (Kotler & Armstrong 2008).

#### 2.1.4.1. Advertising

According to the definition given by Pickton & Broderick (2005), advertising is the use of paid mass media, by an identified sponsor, to deliver communications to target audiences. Advertising was seen at the time (and is probably considered still to be the case by many)

as the senior or "elder statesman" of the marketing communications business.

Advertising can reach masses of geographically dispersed buyers at a low cost per exposure, and it enables the seller to repeat a message many times. Beyond its reach, large-scale advertising says something positive about the seller's size, popularity, and success. Because of advertising's public nature, consumers tend to view advertised products as more legitimate. Advertising is also very expensive – it allows the company to dramatize its products through the artful use of visuals, print, sound, and color. Nevertheless, although advertising reaches many people quickly, it is impersonal and cannot be as directly persuasive as can company salespeople. (Kotler & Armstrong 2008) Smith & Zook (2011) refer to constantly changing nature of advertising: it is morphing into dialogues, social media, user-generated content and a myriad of wonderful new ways of communicating with customers. Kotler and Armstrong (2008) define seven major types of media: television; newspapers; direct mail; magazines; radio; outdoor; internet.

It is mentioned in the findings of Kotler & Armstrong (2008) that the media planner must know the reach, frequency, and impact of each of the major media types. Each media has certain advantages and limitations of its use. The mix of media must be re-examined regularly. For a long time, television and magazines dominated in the media mix. However, as mass media costs rise, audience shrink, and exciting new digital media emerge, many advertisers are finding new ways to reach customers. They are supplementing the traditional mass media with more specialized and highly targeted media that cost less, target more effectively, and engage consumers more fully.

#### 2.1.4.2. Personal Selling

Kotler & Armstrong (2008) define personal selling as a personal presentation by the firm's sales force for the purpose of making sales and building customer relationships. Of the many tools a firm can use to promote its product, selling is the most effective. Sales representatives meet customers face-to-face. They can answer objections immediately,

and they can tailor their presentations to the needs of a particular account. (Dunlap 1993.)

Personal selling, and the management of the activities of personal selling, is one of the principal areas identified in most descriptions of the promotional mix. Yet for most marketing communications practitioners it is an area that is frequently ignored, not through lack of respect for its importance but simply because, within the typical organizational management structure, it is a very separate function. But not only is the sales force an important part of external marketing communications (one of the most powerful and flexible), the sales force is also an important target group for internal marketing communications to ensure that its members are fully briefed to undertake the marketing communications and selling task they do. (Pickton& Broderick 2005)

Thus, sales force of an organization requires to be paid a special attention from management in order to ensure successful and effective selling process. Training and development programmes might and most often must be involved in contemplation of advancement of the key performance indicators of company's salespersons.

Personal selling is a process, which involves personal interaction between two or more people, so each person can observe the other's needs and characteristics and make quick adjustments. Personal selling also allows all kinds of customer relationships to spring up, ranging from matter-of-fact selling relationships to personal friendship. An effective salesperson keeps the customer's interests at heart in order to build a long-term relationship by solving customer problems. Finally, with personal selling, the buyer usually feels a greater need to listen and respond, even if the response is a polite "No thank you". (Kotler & Armstrong 2008)

#### 2.1.4.3. Sales Promotion

Strong sales promotions to the trade have become necessary elements of marketing communications. Its importance to the marketing communication mix should not be underestimated as it adds an extensive range of effective tools to the marketing

communications armoury. (Pickton& Broderick 2005). Smith & Zook (2011) define sales promotion as an action orientated, particularly as they often tempt the buyer to buy, or at least try, a product or service. Some promotions enhance or add value to the image of the product or service, which can consequently strengthen the brand. Kotler & Armstrong (2008) outline a wide assortment of sales promotion tools – coupons, contests, cents-off deals, premiums, and others – all of which have many unique qualities. They attract consumer attention, offer strong incentives to purchase, and can be used to dramatize product offers and to boost sagging sales. However, sales promotion effects are often short-lived and often are not as effective as advertising or personal selling in building long-run brand preference and customer relationships.

Nevertheless, sales promotion is one of the marketing communication tools, which requires specific thoroughness on the stages of planning and implementation, especially in regards of frequency of its use by retailer. Many firms find that while sales promotions are an effective way to stimulate short-run sales, they are soon necessary just to maintain existing volumes. The over-use of sales promotions teaches consumers to buy only when they receive a deal. Consumers stockpile their favourite brands when they are on promotion, and frequently switch between promoted brands (Fisher 2004).

## 2.1.4.4. Word of Mouth Publicity

Word-of-mouth marketing takes word-of-mouth one step further. WOMM is not only about creating word-of-mouth, but it also involves learning how to make word-of-mouth fit a marketing objective (Thorne, 2008). To begin with, word-of-mouth marketing occurs between two (or more) people, in other words word of mouth marketing is interpersonal. This element sets word-of-mouth marketing apart from mass communication, such as advertising, and other impersonal channels available for consumers (Nyilasy, 2007). Secondly, the message conveyed is about commercial entities, products, product categories, brands and marketers (Dichter, 1966). This classifies WOM as a technical term

about marketing. Thirdly, the communicators are not "commercially motivated" (Nyilasy, 2007). In other words, they do not convey the message due to some special benefits, but merely their sincere and honest interest in product or service. All these characteristics distinguish WOMM from other types of marketing communications and places it in a unique place based on honesty and transparency.

Although word-of-mouth is an important factor to influence the consumer decision-making, it is not the dominant factor in every situation. Word-of-mouth is more important input to decision process when purchasing services, rather than goods (Buttle, 1998). Similarly, Murray (1991) found out that service consumers prefer to seek information from family, friends and peers rather than sponsored promotional sources.

A study by Herr (1991) shows that word-of-mouth is not as important in the evaluation of a car if the consumer already has a strong impression of the product and/or negative information regarding the product is available. Ahluwalia (2002) points out those consumers may ignore negative information on brands that they know well and may focus instead on information consistent with their beliefs. Thus, if the consumer has already an impression about the product, the consumer will continue his/her ideas about the product and word-of-mouth will not affect purchase decision.

Furthermore, consumers who are involved with a product are more likely to communicate about it and influence others, especially if they are involved on an ongoing basis (enduring involvement) (Assael, 1992). And when a purchase decision is associated with perceived risk, consumers try to cope with uncertainty by seeking information from an experienced source (Bansal &Voyer, 2000). In conclusion, the effectiveness of word-of-mouth depends on several conditions. These conditions can be categorized as interpersonal and situational factors and both occur when the consumer is in need of information or assurance-especially if the purchase decision involves high risk.

### 2.14.5. Direct Marketing

Direct marketing is the direct connections with carefully targeted individual consumers to both obtain an immediate response and cultivate lasting customer relationships (Kotler & Armstrong 2008). In modern businesses, direct marketing is far more than merely a few tactical mailshots or a door-to-door leaflet drop to back up an advertising campaign. Today, direct marketing is a marketing system based on individual customer records held on a database. These records are the basis for marketing analysis, planning, implementation of programmes, and control of all this activity. (Pickton & Broderick, 2005). Kotler & Armstrong (2008) define four distinctive characteristics shared by all the forms of direct marketing – direct mail and catalogs, telephone marketing, online marketing, and others. Direct marketing is non-public: the message is normally directed to a specific person.

Direct marketing is immediate and customized: messages can be prepared very quickly and can be tailored to appeal to specific consumers. Finally, direct marketing is interactive: it allows a dialogue between the marketing team and the consumer, and messages can be altered depending on the consumer's response. Hence, the importance and potential of the direct marketing as a tool of integrated marketing communications should not be underestimated. Due to the technology advancement and Internet development, nowadays it becomes easier to contact existing customer – through database technologies via direct-mail, catalogue, or telephone marketing, or potential customer – through social media channels, search engines, pop-up ads, etc.; and get an immediate response.

According to Berlendi (2011), social media is a valid tool that improves customer relationship management and helps marketers understand how a product (or a certain marketing campaign) is perceived by consumers. By entering a social network through the use of Social Media, the company given the possibility to its clients to review (and comment on): the business, the products, the collections, etc. This enables the creation of a certain degree of intimacy between the company and its best consumers.

Technology encourages customers to interact with brands. These customer interactions build the brand by increasing awareness, involvement, and engagement; thus, adding to brand recall and stimulating purchases. Tweets, blogs, and social networks like Facebook, Twitter, YouTube, Instagram, and Pinterest offer fashion brands ways to connect with audiences. Though many fashion brands initially believed social networking would weaken the relationship with consumers, social media is now viewed as an opportunity to improve customer relationship and to ultimately capture a larger audience. (Kim & Ko, 2012.)

Social media plays crucial role in attracting new customers and engaging them, strengthening the company's brand awareness amongst large audience and involving this audience into purchase decision processes. In accordance with Dahl (2015), professionals like to portray "engagement" as central to the online experience, especially in the context of social media, where "engagement" can take a wide variety of different forms, from simple exposure to actions involving brand-generated messages, to liking, sharing, and commenting on brand-owned Facebook pages and recommending these pages to friends. Social media in particular offers new possibilities for WOM-based marketing, encouraging WOM to take place as well as ensuring that WOM activity is widespread.

One of the most powerful and effective ways of using social media in fashion marketing communications is blogging. Blog is short for "Web log" – a web journal, an "online diary" where the "owner", the one creating the content, can post what excites him the most and share it with whoever surfs the web. When creating a blog, users can fill it with whatever they want: comments, news, photos, videos, etc. (Berlendi, 2011) Bloggers are the new influential fashion journalists of today. They frequent the front rows of fashion shows bringing up-to-date visuals and commentary faster than a traditional journalist ever could. (Lea-Greenwood, 2013).

### 2.1.5. Brand Preference

Marketing Communication Practices and Performance During the past several decades,

companies around the world have perfected the art of mass marketing-selling highly standardized products to masses of customers. In the process, they have developed mass media advertising techniques to support mass marketing strategies. The shift from mass marketing to targeted marketing, and the corresponding use of a larger, richer mix of communication channels and promotion tool, poses a problem for marketers. Customers do not distinguish between message sources the way marketers do. In the consumer mind, advertising messages from different media and different promotional approaches all become part of a single message about the company (Kotler &Amstrong, 2005).

Marketing Communication builds brand identity and strong customer relationships by tying together all the company's messages and images. Brand messages and positioning are coordinated across all communication activities and media. Integrated Marketing Communication calls for recognizing all contacts points where the customer may encounter the company, its products and brands. Each brand contact will deliver a message, whether good, bad or indifferent. The company must strive to deliver a consistent and positive message with each contact. Marketing Communication produces better communications consistency and greater sales impact –it unifies the company's image as it is shaped by thousands of company activities (Kotler&Amstrong, 2005).

According to Kotler (2006), firms should allocate the marketing communications budget over the six major modes of Communication—advertising, sales promotion, public relations and publicity, events and experiences, sales force, and direct marketing. Within the same industry, companies can differ considerably their media and channel choices. Organizations are shifting advertising funds into sales promotion. The sustainability among marketing communication tools explains why marketing functions need to be coordinated. However, Gassmann (2005) argued that customers need information about the features of the product or service, its price and how they can access it, to make informed purchase decision.

In terms of performance, managers often do not know what to measure or how to interpret the results. They may collect wide collection of performance metrics but if these cannot be managed to change marketing activities and performance results, it is of not very much use (McGovern, 2004). According to Kotler (2003), there have been very few studies conducted in relation to the relevance, significant and meaning of marketing communications in the context of small and medium size enterprise. This situation may have changed over the years.

Lahti and Beyerlein (2000) argue that marketing communications (MC) tools can create competitive advantage, boost sales and profits, while saving money, time and stress. MC wraps communications around customers and helps them move through the various stages of the buying process. The organization simultaneously consolidates its image, develops a dialogue and nurtures its relationship with customers. This 'Relationship Marketing' cements a bond of loyalty with customers, which can protect 18 them from the inevitable onslaught of competition. The ability to keep a customer for life is a powerful competitive advantage (Messah& Immaculate, 2011).

However, several studies have asserted that marketing communication effects on business performance might be moderated by market environment (Hooley et al., 2005). For example, according to Jaworski and Kohli (1993), the greater the market (technological)turbulence, the stronger (weaker) the relationship between a marketing communication and business performance. They also argue that the greater the competition, the stronger the relationship between a marketing communication and business performance, and the weaker the general economy, the stronger the relationship between a marketing communication and business performance.

#### 2.1.6. IMC and Brand Preference

According to Kotler (2000), promotion involves all the activities the company undertakes to communicate and promote its products to the target market. Nnolim (1994) asserts that

Marketing communication is an important function through which the marketer communicates to inform, convince and persuade the intended target market in all aspects of what the firm has to offer in the area of need and want satisfying products. The objectives, she continues, eventually is to get the consumer to be favorably disposed to the products of the firm and to commit or vote his financial resources in favor of those products.

Olakunori (1986) said that advertising as an indispensable component or aspect of Integrated marketing communication has continued to pay a vital role in brands of products. According to him, a product without promotion is like music without tune. Mitchell (1984) believe that sales promotional premiums and other benefits give rise to lopsided evaluation of competing products as these products seem to attract the attention of the consumers rather than the core product itself. Martueau (1987) states that personal contract via effective and articulated personal selling process among prospects / consumers and salesmen of a product tends to create a long-lasting impression (positive or negative) in the minds of the prospects/consumers about the sales person and the product. In other words, although the use of personal selling as a promotional tool is determined by many factors which include inter alia – nature of the product, nature of market, number of prospective buyers, market proximity, company's policy – the use of personal selling has proved over the years, the most effective means of educating the consumers.

Consumer or marketing-oriented companies concentrate on satisfying the needs and preferences of customers – by selecting one or more specific customer group(s) in the total market, and then developing a market offering for each target group. Marketing-oriented companies achieve their business goals by focusing on the needs and wants of their target markets (Lane, 2011). The main purposes of marketing communication are to inform, persuade or remind the selected target audience of the market offering (Lamb, 2003). However, Bearden (2007) emphasize that marketing

communication's ultimate role is to influence the behavior of the target market, and not only to inform, persuade or remind the consumers.

Communication objectives, such as creating awareness of or interest in the marketing offer, are certainly not enough. Marketing communication should, in fact, lead to changes in the behavior of the target market in the purchase of products or loyalty towards the brand. Marketers can use the marketing communication strategy to convince the selected target market(s) that the products or services offered provide a significant and competitive advantage over those of their rivals (Lamb, 2003). Duncan (2005) acknowledges that marketing communication can add value for customers, because customers need to be informed on aspects, such as the features and potential benefits of a product, where it can be bought, and whether it is a well-known brand with a good reputation, or whether it has already formed a positive association in the minds of the consumers. In other words, marketing communication can influence the target audiences' perceptions of crucial features and symbolic associations that are superior to those of the competitors.

Customers will have an advanced purchase intention with a known brand (Kamins& Marks, 1991). Similarly, if a product has increased brand awareness it will have an increased market share (Dodds, 1991; Grewal, 1998). A famous brand will have an increased buying intention than a less famous brand (Hsu, 2000). From the above literatures, it can be generalized that Customers responds powerfully and decide to purchase only recognizable, well-established brands, which IMC supports marketers to do this. (Jacoby, Syzabill and Schach, 1977).

# 2.2. Empirical Review

Okyere (2011) carried out a study on the effect of marketing communication on consumer brand preference of Ghana telecom. The study developed a model to explain the connection between marketing tools (independent) and consumer preference (dependent),

the model was designed to examine the impact of marketing communication on the sales volume of GT (Vodafone). The amounts of observations used for the study was 40, derived from GT's (Vodafone) sales records and promotions within the period of 2006 to 2008. The study found that there was strong association linking sales promotion and advertising budgets on consumer preference. There was on the other hand an opposed relationship between TV advertisements and brand choice. Additionally, a negative association was also established to exist between sponsorship budget and total sales. The outcome signifies that Vodafone was not dedicating much notice to its total communication costs and the return on investment (ROI) on such expenditures. The main limitation of the study was lack of relevant information to assist the study and recommended further research to establish relevant supporting data and definite indication of the relationship on other marketing communication strategies.

A study conducted by Ismail (2012) focused on the effect of marketing communication strategies on brand preference of multinational companies; the research design was a case study of a multinational company Proctor & Gamble and the data were gathered from the yearly report and sales records of the organization. The promotional expenditures and data concerning sales of P&G Company were taken for analysis. Correlation coefficient method was applied for data analysis sequentially to achieve the purpose of the study. Findings concluded that there was a positive/significant relationship connecting marketing communication strategies and consumer preference; marketing communication strategies can be used to reach target potential customers and persuade them to purchase. The study was conducted on a global perspective hence it may not apply on the local or domestic companies' perspective. Further research can be conducted on the local companies setting so as to associate with the local environment.

Hossein and Navaie (2011), analyzed the effect of promotion mix on improving consumer brand preference in cosmetics and beauty products, questionnaires were circulated among 384 women who used Atousa hair color products at least once. The questionnaires

contained question on the subject of the impact of promotion mix tools on enhance of sales. Testing of research hypotheses (one-sample T-test) results demonstrated that sales promotion, advertising and personal selling were the most powerful factors in increasing sales but direct marketing had less effect on increasing sales. Limitation of the study was reluctance of the respondents to answer questions and the study did not observe all the marketing communication mix such as publicity hence further research can be done on the role of marketing mix in increasing brand loyalty of products.

Onditi's (2012) study on the assessment of promotional elements inducing sales of an organization; a case study of agricultural and non-agricultural products. The population of the survey included 204 women groups in Homa- Bay District, in the south of Kisumu City. These groups manufacture agricultural and non-agricultural products. A sample of 66 was chosen from these women groups by use of simple random sampling technique. The study concluded that sales promotion and personal selling are the most influential promotion factors in influencing their purchase decision than other promotional elements. The study established that most women groups mainly use sales promotion but face the challenge of cost due to lack of funding for carrying out promotion. Limitation of the study was accessibility of the respondents due to remoteness of the study area; the research gap is that the study ignored the implication of other elements that can affect performance on small scale business hence further research can be conducted on other elements of promotion on small scale business.

Creating an ethical impact of advertisement perceived by consumers plays an important role in motivating developing purchasing intentions because they believe the product is related to the green environment (Patel and Chugan, 2015). The theory hierarchy effect of marketing communication model, there are six stages of the viewing of a product's advertising objective to buy the product (Lavidge, 1961). The advertiser's job is to encourage customers to have awareness, knowledge, wants, references, and purchases. Customers see ads every day, but will only remember favored brands using either

electronic media such as the internet, online sales, television, radio or print media such as newspapers, billboard, magazines, catalogues, etc. Consumers will easily move to competing brands if they do not get the information they want. After searching for information, consumers will certainly buy the product. The advertiser's job is to attract interest in the products offered.

Advertisers can encourage potential customers to intend to buy by delivering a product sample (Buzzel, 2004). Experience in the buying process affects repurchase intentions if it is certain the benefits of the product are in line with consumer expectations. The importance of producers makes new ways to increase purchases by offering through modern technology such as online purchases that minimize operational costs (Meidan, 1996). There are two types of advertising that are high-the-line advertising and low-the-line advertising (Kotler and Armstrong, 2008; Selomo and Govender, 2016). High-the-line ads contain a variety of communication channels including television commercials, radio, posters, magazines, and newspapers. While under- the-line advertising is a big part of advertising organization activities including leaflets, pamphlets, manual guides that are used to increase sales and are advertisements that are not visible.

Abdul Munam Jamil pracha (2012): In a study made on Consumer Preference Coca Cola versus Pepsi-Cola advertisement is important factor for coke customer to choose their brand. It also noticed in this study that promotion scheme & discount are also important to purchase their preferred brand. Even though above scholars imply that consumers' exposure to IMC elements will leads to brand preference, there are some other effects of IMC happens before brand preference. Based on these results, the following hypothesis is proposed as:

## H1: Advertising has significant and positive effect on brand preference

Sales promotion tools involve a variety of coupons, gifts, discounts, charity engagements, sponsorships, etc (Kotler and Armstrong, 2008; Trámpuz and Ibáñez, 2018). The main

objective in sales promotion is to attract new customers, increase market share in selected market segments, to lower costs, win competition with similar manufacturers. Sales promotion as an activity to encourage purchases and is an essential element of marketing planning. (Adebisi, 2006) mentions as a marketing effort that serves to inform the product to consumers to buy or continue to buy the products.

Sayeed and Faruqui (2009) had presented a case study to investigate the effect of sales promotion on consumer Brand preference of laundry detergent in Dhaka city consumers. The 36study finds that sales promotion will not be related to brand loyalty or brand preference. In this case, it is mentioned that the study was conducted on Dhaka city consumers. The Sales promotion increase the sales for short time and the message satisfies the consumers but it has no impact to convince the customer to become loyal towards the promoted brand or in other words it will not increase the deterministic component if the customer utility equation.

While (Cole, 2011) states that sales promotion is a way that is used in guiding customers from a state that is less aware of the benefits of organic products to be conscious in order to consume. It is a way of communicating with individuals, groups or organizations to directly or indirectly facilitate the exchange of information and persuade consumers to accept the organic products on offer. Based on these results, the following hypothesis is proposed as:

# H2: Sales Promotion has significant and positive effect on brand preference

Personal selling is a mean of communication between salesmen and prospective customers or customers with the intention of forming, persuading or reminding them or serving consumers appropriately (Adebisi, 2006). Person selling is an important element in ensuring the satisfaction of purchase and post-purchase in establishing a long-term relationship between buyers and sellers based on understanding and trust. Personal selling can be done face-to-face or through technology via the internet and e-mail

(Brassington, 2000). Research technology over the last 30 years has changed the way consumers when interacting with the organization by telephone, correspondence. The producer has integrated customer data in order to understand the needs and provide satisfaction for the customer as the satisfaction of the customers certainly intend to buy back the products or services offered. Based on these results, the following hypothesis is proposed as:

## H3: Personal Selling has significant and positive effect on brand preference

Direct marketing is an interactive marketing system, using one or more media advertising to achieve a measurable response in shaping the basis for creating and developing a direct relationship between the seller and the customer. Direct marketing through product offerings through price lists, correspondence (Lee, 2002). Direct marketing through the telephone is very effective to affect the purchase intentions, especially information about products directly received by consumers can affect the purchase intentions. Direct marketing affects the sales performance of commercial banks (Kotler and Keller, 2012). Direct marketing can be defined as to include (1) differentiating direct marketing from other types of marketing by selling (2) focusing on the development of theory and testing on direct marketing as a particular area of marketing (3) direct marketing more effectively as directly to various audiences as well called as an interactive marketing system that uses one or more ad media to measure sales at every level (Muhanji, 2015). Intentions are assumed to control motivational factors affecting behaviors that show how a person believes and intends to try the product on offer (Kotler and Armstrong, 2008). Based on the above notion, the hypothesis is proposed as:

# H4: Direct Marketing has significant and positive effect on brand preference

Mangold (1999) observed that word-of-mouth communication has a significant impact on consumers' purchase decision, owing to the unique features attributed to products or services. The act of purchase decision can be affected by several factors and the outcome

can be to purchase or not to purchase. In general, purchases are planned in the sense that the consumer is most likely to purchase the brand that satisfies his or her need (Assael, 1987). At other times, however, intention only encompasses the product with the choice of brand reserved for further deliberation at point of sale (Engel, 1993).

Especially if the product is risky, the consumer will need reassurance from others rather than the information has been constantly provided by the mass media. Perceived risk is the degree of uncertainty or fear about the consequences of a purchase that a consumer feels when considering the purchase of a new product (Schiffman and Kanuk, 2007). For risky products or services, early adopters almost always seek advice from satisfied customers (Godin, 1999). By doing that the consumer diminishes the risk related to his/her experience with the product. Furthermore, in the cases when a product or service demanded is more expensive the consumer seeks redress in word-of-mouth advice (Mitra, 1999).

This is the most important phase for the marketers, as satisfied consumers will talk about their product or service positively (generation of positive word-of-mouth) and dissatisfied consumers will pass along their negative attitude (generation of negative word-of-mouth) toward the brands to others, thus the consumer's experience will, as a result, influence the purchase decision of the members in their group.Ismail (2010) argues that if the qualities of the business and value presented by WOM Publicity hard work meet the prospects of the consumer, it can guide to establishing lasting affiliation and strengthening of the consumer loyalty. And those corporations which instigate cause- oriented marketing campaigns differentiating themselves in aggressive competition and improve their image which results in enhanced sales performance through enhancing consumer preference. A study done by Ismail (2012) argued that WOM publicity activities assist the organization to generate auspicious image of the product and generate trust among customers and thus induce the attitude and perception which results to improved sales. Based on the above notion, the hypothesis is proposed as:

# 2.3. Conceptual framework

This assessment is intended to examine the effect of promotional mix practices on consumer brand preference. Promotional mix practices (independent variables) include adversing, sales promotion, personal selling, direct marketing and word of mouth publicity dimensions which explain the overall consumer brand preference (dependent variable).

Based on the theoretical and empirical reviews, the conceptual framework of the study represented the relationship between the aforementioned five dimensions of promotional mix with customer brand preference. The measures of promotional mixand brand preferences are adopted from previous empirical modelof Keller & Armstrong (2010). Since this study is conducted on FAFFA Foods S.C. context, the consumer brand preference in this theoretical model is operationalized through promotional mix tools. The diagram shows that the relationship between the five dimensions of promotional mix, namely advrtising, sales promotion, direct marketing, personal selling and word of mouth publicity have direct relationship with customer brand preference.

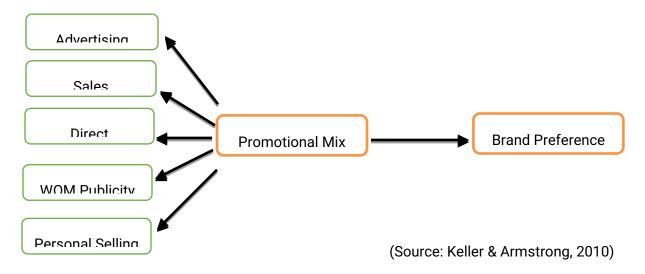


Figure 1: Conceptual Framework of the Study

## CHAPTER THREE

### **METHODOLOGY**

This chapter outlines and elaborates the methodologies of the study. It covers research approaches, research design, sampling techniques, sources of data collection, data collection procedures, scale validity and reliability test, methods of data analysis and presentation. Finally, ethical consideration is also included.

# 3.1. Research Approach

There are basically two research approaches. The first one is qualitative research which involves studies that do not attempt to quantify their results through statistical summary or analysis. In a way it seeks to describe various aspects about behavior and other factors studied in the social sciences and humanities. In qualitative research data are often in the form of descriptions, not numbers. The other one is quantitative research which engages in systematic and scientific investigation of quantitative properties and phenomena and other relationships. The objective of quantitative research is to develop and employ

mathematical models, theories and hypothesis pertain the natural phenomena. Quantitative research approach was adopted in this study for the fact that it involves generation of data in quantitative form for analysis. Data were quantified and statistical methods were used in the data analysis to seek evidence about characteristics or a relationship between the stated variables.

## 3.2. Research Design

There are three types of research design namely exploratory, descriptive and explanatory research. The goal of exploratory research is to discover ideas and in-sights while descriptive research is usually concerned with describing a population with respect to important variables. Explanatory research is used to establish cause-and-effect relationships between variables and causal analysis is concerned with the study of how one or more variables affect changes in another variable. It is thus a study of functional relationships existing between two or more variables (Kothari, 2004). This study follows explanatory research design as it evaluates the variables of interest in the IMC and customer brand preference measurement and determines the relationship between the constructs.

# 3.3. Population

A population can be defined as the complete set of subjects that can be studied: people, objects, organizations from which a sample may be obtained (Shao, 1999). The population of the study was framed from dwellers (mothers in this case) of Addis Ababa who have the experience of purchasing Cerifam brand baby foods from FAAFA Foods Company.

# 3.4. Sampling Techniques

Sampling is the process of selecting a number of study units from a defined study population (Abiy, 2009). It is economical to take representative sample for the intended investigation when conducting census is unrealistic. According to Zikmud (2000), there are

two main sampling methods, probability and non-probability sample. In this study, the lack of access to a list of the population under study makes fully randomized samples (probability sampling) difficult to obtain. Thus, convenience non-probabilistic sampling was applied to determine the sample size. Targeted participants were contacted at 15 outlets of Shoa Supermarket located at different neighb3ored of the city.

# 3.5. Sample Size

Sampling is the process of selecting a number of study units from a defined study population (Carvalho, 1984). Sample size for unknown population is selected based on Cochran (1963) who developed the formula to yield a representative sample for large population size at 5% margin of error and within 95% confidence level. It is demonstrated as:

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

Where:

n- Sample size

z- Standard deviation given a corresponding confidence level of 95%

p- Estimated proportion of incidence (success rate = 0.5)

q- (1 - p) or assumed failure rate (0.5)

e- Proportion of sampling error or error margin in a given situation (5%)

Thus, the sample size of the intended study with 95% confidence level, probability of 50% occurrence, probability of 50% failure and 5% marginal error, is obtained as:

$$n = \frac{z^2(p)(q)}{e^2} = \frac{(1.96)(0.5)(0.5)}{(0.5)^2} = 384.16 = 385$$

A representative sample size of 385 respondents was taken from 11 sub-cities.

### 3.6. Source of Data

According to Catherine (2017), data may be collected as primary, secondary or both. Primary data are originated by the researcher for the specific purpose of addressing the problem at hand. On the other hand, secondary data contains relevant data that has been collected for a different purpose, but from which the conclusion is valuable for the purpose. In this study basically the primary source, i.e., data collected from consumers at the Shoa supermarket outlets were used for analysis.

#### 3.7. Data Collection Instrument

Questionnaire to be used must be prepared very carefully so that it may prove to be effective in collecting the relevant information. Structured questionnaires are those questionnaires in which there are definite, concrete and pre-determined questions (Kothari, 2004). The questions are presented with exactly the same wording and in the same order to all respondents. Resort is taken to this sort of standardization to ensure that all respondents reply to the same set of questions.

A structured questionnaire, based a 5- point Likert –scale, is used as a major instrument of data collection tool. The questionnaire consists of three sections. The first section elicits information on the demographic characteristics of the respondents, the second section constitutes of items that request information on the independent variables of the study i.e., IMC in terms of Advertising, Sales Promotion, Personal Selling, Digital Marketing and Public Relations/Publicity; while the third section is all about the dependent variable – customer brand preference. The attributes was measured using 5-point Likert scale ranging from 1- for "Strongly disagreed" to 5- for "strongly agreed". The IMC question was adopted from Keller and Armstrong (2010) then adjusted to fit the context of the study.

# 3.8. Scale Validity and Reliability

Validity, on the other hand, is concerned with whether the findings are really about what they appear to be about. Validity is defined as the extent to which data collection methods accurately measure what they were intended to measure (Saunders and Thornhill, 2003). Reliability can be defined as the degree to which measurements are free from errors and, therefore, yield consistent results. Operationally, reliability is defined as the internal consistency of a scale, which assesses the degree to which the items are homogeneous.

To ensure the validity and reality of this research, the researcher utilizes the criterion argued by Bryman and Bell (2007) to test the process of the research. First of all, the internal validity would be fulfilled by the consistency between the research data collection and the theoretical framework. On the other hand, the external validity, which would also be met by this formal theory generated, represents that the findings would be used in more general area. Secondly, the researcher makes an adequate agreement in the process of the research, and the extent of the agreement determines the internal reality.

Reliability is computed using Cronbach's alpha coefficient for the entire set of factors affecting the adoption of brand preference. The use of Cronbach Coefficient to measure reliability of instrument enabled to identify the strength of items included in the questionnaire such that measure between 0.7 and 1.0 signifies a strong consistency of item used in questionnaire (Mugenda, 2003). However, the acceptable Alpha value that meets the statistical prerequisite for the instrument to be characterized as reliable should be between 0.70 and 0.9 as the value more than 0.9 could be an implication of redundant variables measuring same subject (Travakol, 2011).

## 3.9. Data Collection Procedure

A pilot survey was conducted on 30 respondents at Shoa supermarket of Bole branch, who would be excluded from the sample frame, prior to administrating the questionnaire to the targeted sample respondents so as to check whether the questioner is clear, easy to understand and straightforward to ensure that the respondents able to answer the questions with no difficulty. For the validity check, on top of the feedbacks from the respondents, the questionnaires were also reviewed by the advisor of this study and

marketing manager of FAFFA Foods S.C. to review the suitability of the questions, the language (style of expression) and the suggestions implemented to enhance the questionnaire. Finally, after having made all the requisite corrections, it was found reasonable to distribute them to the targeted respondents. Then respondents were contacted at the selected outlets of Shoa supermarket accordingly.

# 3.10. Data Analysis and Presentation

Data in this study were analyzed using both descriptive and inferential statistics. Descriptive statistics is used to interpret data in general and for testing hypothesis and investigating research objectives inferential method is used using statistical package for social science (SPSS) version 20.0. Descriptive statistics is applied to interpret demographic variables of the respondents and to discover the frequencies of each dimension whereas inferential statistics is used for hypothesis testing such as correlation and multi-regression. Tables and graphs are used to present analysis results pictorially.

#### 3.11. Ethical Considerations

Prior to the start of this research task, informed consent has acquired from the supervisors of Shoa supermarket. The consent form for approval request for this study has been granted from St Mary University and formal consent of the targeted respondents have also been obtained from each participant prior to the commencement of data collection. The student researcher undertakes to protect the rights of the respondents by ensuring that none of the respondents has marked during the study or any subsequent thesis and that the respondents have been chosen to participate without coercion.

CHAPTER FOUR

DATA ANALYSIS AND INTERPRETATIONS

The data collected through self-administered questionnaire featured personal information

of the respondents, five dimensions of IMC and customer patronage attributes in the case

of Cerifam Brand of Faffa Food S.C, Addis Ababa. After distributing 385 questionnaires to

the targeted respondents/ buyers of Cerifam brand products, a total of 347 questionnaires

were collected which accounted for 90.1% of the total distributed questionnaires. Then,

further screened for missing data and other inconsistency, it was found 305 valid and

usable questionnaires for statistical analysis.

Reliability of the data collection instrument involves the consistency of the result obtained

with the instrument. Cronbach's alpha was used to assess the internal consistency of

variables in the research instrument. The scale represents as a number between 0 and 1

but the alpha value above 0.7 indicates good reliability of the measurement scale

(Zikmund, 2010). For this study, thus, a Cronbach's alpha score of .70 or higher is

considered adequate to determine reliability. Based on this notion, the scale reliability was

found to be within the acceptable range as all the variables' test scores were found to be

above  $\alpha = .70$ .

Table 1: Reliability Test

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		N	Cronbach's Alpha
Advertising		5	.925
Sales Promotion		4	.829
Personal Selling		4	.704
Direct Marketing		4	.734
Public Relations/Publicity		4	.790
Brand Preference		4	.701
	Total	25	.898

(Source: Own Survey, 2021)

# 4.1. Demographic Characteristics of the Respondents

Referring to the age group, 155(50.8%) of the respondents was found to be within the age range of 31-40 years followed by 107(35.1%) within 41-50 years. Whereas those respondents whose age fall within 20-30 years to 43(14.1%). It has a positive implication that the respondents, mothers in this case, were in the age range of productive period. It is evidenced that maternal age is linking with other socio-demographic factors, thus, it would be relevant to cross reference this finding with findings regarding other variables and see if there's valuable insight.

Table 2: Description of Demographic Profile of the Respondents

Ca	tegory	Frequency	Percent
	20-30	43	14.1
	31-40	155	50.8
<b>Age</b> 41-50		107	35.1
	Total	305	
	High school	24	7.9
Education	Degree	109	35.7
	Master's	91	29.8

		I	
	Total	305	
	<10,000	64	21.0
	10000-20,000	113	37.0
	20,001-30,000	82	26.9
Income	>30,000	46	15.1
	Total	305	
	Employed	71	23.3
	Self employed	178	58.4
Employment	Unemployed	56	18.4
	Total	305	

(Source: Own Survey, 2021)

Regarding the educational background of the respondents, the majority 109(35.7%) has first degree but the rest 91(29.8%) Masters' degree, 24(7.9%) High school, and 81(26.6%) Ph.D. were holders.

As far as monthly income of respondent concerned, the respondents were 82(26.9%) from 20,001 - 30,000 birr, 113(37.0%) with the range of 10,001 - 20,000 birr, <10,000 birr was 64(21.0%) and the rest (15.1%) represents who earned below 30,000birr. This implies that the respondents were from different income level which could be taken as a positive indication that the responses from different economic perspective responses would have better insight.

Referring to employment status of the respondents, 178(58.4%) self-employed, 71(23.3) employed and the rest 56(18.4%) were unemployed. This shows that majority of the study participants enrolled in their own business which implicated that they probably made decision by themselves to purchase baby foods. However, it's hard to reach on conclusion with this scope and sample size of the study.

# 4.2. Descriptive Statistics

Under the description of study variables, summary of IMC variables (Advertising, Sales Promotion, Personal Selling, Direct Marketing and WOM publicity) and Customer Loyalty

are presented as follows.

### 4.2.1. Advertising

One statistical approach for determining equivalence between groups is to use simple analyses of means and standard deviations for the variables of interest for each group in the study. The mean indicates to what extent the sample group on average agrees or does not agree to the different statement. Of each factors the lower the mean, the more the respondents disagree with the statement. The higher the mean, the more the respondents agree with the statement. The student researcher uses itemized rating scale to construct a range. This range is used to measure the perception level of the respondents towards each variable. According to Best (1987), the scale is set in such a way that respondents strongly disagreed if the mean scored value is in the range of 1.00 – 1.80; disagreed within 1.81 – 2.60; neither agreed nor disagreed within 2.81 - 3.40; agreed if it is in the range of 3.41 – 4.20; while strongly agreed when it falls within 4.21 – 5.00. Besides standard deviation below 1.0 shows relatively less variability of an observed response whereas, greater than 1.0 often considered as high variability (Field, 2009).

Results of the findings on Table 4.1 indicates that majority of the respondents agreed that the informative, trustworthy, enable to aware, healthier and advertisement remind to purchase with mean value of 3.41, 3.65, 3.42, 3.46 and 3.63 respectively. This implies that majority of the respondent get reliable information through media advertising. This indicates that most respondents are influenced by advertisement. The result indicates that respondents think advertisement is important when they buy Cerifam brand of packaged baby foods products.

Table 3: Respondents' Perception on Advertising

#### **Descriptive Statistics**

	N	Mean	Std. Dev.
FAFFA's advertising is more informative than competitors	305	3.41	1.743

Regarding Cerifam baby food, trustworthy information is advertised by FAFFA	305	3.65	1.741
FAFFA's Advertising enables me to be more aware about Cerifam and its features	305	3.42	1.740
After watching FAFFA's advertisement, I regard Cerifam as a healthier baby food	305	3.46	1.745
Any time I see FAFFA's advertisement, it reminds me to purchase Cerifam	305	3.63	1.663
ADV	305	3.5148	1.51417
Valid N (listwise)	305		

Source: Own Survey (2021)

#### 4.2.2. Sales Promotion

Referring Table 4.2, except tempted by the frequent sponsorship of social events (mean 3.83), the results revealed that the respondents agreed on the company offers sales discounts (mean 3.46), attractive promotional packages (mean 3.65) and organizing events as sales promotion (mean 3.94), on the other hand the respondents were different in the company use low cost gift (mean 3.37). Overall, majority of the respondents which implies that less gifts to its customers to motivate attract consumer attention, offer strong incentives to purchase, and can be used to dramatize product offers and to boost sagging sales.

Table 4: Respondents' Perception on Sales Promotion

#### **Descriptive Statistics**

	N	Mean	Std. Dev.
FAFFA often uses low-cost gifts to motivate me to use Cerifam	305	3.37	1.929
The sales discount during holiday events by FAFFA attracts me more to buy Cerifam	305	3.46	1.897
The company uses attractive promotional packages as a tool for promoting Cerifam	305	3.65	1.811
FAFFA organizes events as sales promotion	305	3.94	1.754
SPR	305	3.60	1.503
Valid N (listwise)	305		

(Source: Questionnaire, 2021)

## 4.2.3. Direct Marketing

The respondents agreed on using of social media to promote new products (mean 4.00) and interactive communication (mean 4.14). On the other hand, they disagreed on that the company use phone calls to send clear message regarding new (mean 2.65) and on contacting them through personal emails (mean 2.55). Overall perception of the respondents towards direct marketing practices of the company was nearly neutral. This implies that updates consumers through personal mail and telephone and utilizing social media to promote new products influenced their purchase decision of Cerifam baby foods in Addis Ababa.

Table 5: Respondents' Perception on Direct Marketing

#### **Descriptive Statistics**

	N	Mean	Std. Dev.
The company updates me about its products through my personal mail	305	2.65	1.950
The company often uses social media to promote its new product	305	4.00	1.621
The company often uses social media to promote its new product			1.021
The company uses phone calls to send clear messages regarding new product offers	305	2.55	1.754
FAFFA staff's interactive communication persuade me to buy Cerifam	305	4.14	1.627
DMK	305	3.33	1.269
Valid N (listwise)	305		

(Source: Questionnaire, 2021)

# 4.2.4. Personal Selling

Majority of the respondents are agreed on knowledge ability (mean 4.16), sincerity (mean 3.41) and friendly relationship (mean 3.44) but complained on the sales staffs didn't contact them frequently to visit their services in person (mean 2.81). This implies that the companies personal selling practices in terms of sales persons competency, sincerity and ability to instill confidence were perceived positively.

Table 6: Respondents' Perception on Personal Selling

#### **Descriptive Statistics**

	N	Mean	Std. Dev.
FAFFA's sales staff contact me in person frequently to visit Cerifam products	305	2.81	1.788
FAFFA's sales staff are knowledgeable to instilconfidence on customers	305	4.16	1.158
Sincerity of FAFFA's sales staff influences me to use Cerifam product	305	3.41	1.801
FAFFA's sales staff create friendly relationship which influenced me to buy Cerifam	305	3.44	1.796
PSL	305	3.4541	1.23691
Valid N (listwise)	305		

(Source: Questionnaire, 2021)

## 4.2.5. Word-of-Mouth Publicity

The results revealed that majority of the respondents agreed that provided appealing printed materials (mean 3.42) to promote their services. On the other hand, the respondents neither agreed nor disagreed on that the company disseminated reliable information (3.20). but they disagree on detailed information (mean 2.45) and public relation makes perceived positively (mean 2.22) which implies that the concerned managements were not implementing public relation effectively.

Table 7: Respondents' Perception on Public Relations/Publication

#### **Descriptive Statistics**

	N	Mean	Std. Dev.
FAFFA often uses appealing printed materials to promote the health benefits of Cerifam	305	3.42	1.648
Reliable information, disseminated via the public relation, tempted me to use Cerifam	305	3.20	1.829
The company provides more detailed information via its public relation officers	305	2.45	1.815
Information from the FAFFA's public relation makes me perceive the brand positively	305	2.22	1.796
Valid N (listwise)	305		

#### 4.2.5.1. Brand Preference

Results of the findings, Table 4.6, revealed that the respondents agreed that they prefer to buy and like products particularly (mean 3.52), (3.73) respectively but they neither agree nor disagree on even there is other choice buy Cerifam (mean 3.24) and first choice (mean 2.92). The overall brand preference of the respondents were found to be average (neutral) which implies that the respondents had doubts on preference of Cerifam packed baby food.

Table 8: Respondents' Perception on Brand Preference

#### **Descriptive Statistics**

	N	Mean	Std. Dev.
If I need baby food, I prefer to buy Cerifam	305	3.52	1.431
I would like Cerifam product of FAFFA in particular	305	3.73	1.541
Even if I have other choices, I buy Cerifam	305	3.24	1.097
Whenever I purchase baby food, Cerifam is my first priority	305	2.92	1.527
BRP	305	3.35	1.024
Valid N (listwise)	305		

(Source: Own Survey, 2021)

### 4.3. Inferential Statistics

It comprises different test such as correlation analysis, assumption of data test for their suitability or fitness to the intended regression analysis model namely normality, collinearity, linearity and homoscedasticity, and finally, the multi-regression analysis in terms of model summary, ANOVA test and determination of beta coefficients are conducted to address the objectives of this study.

## 4.3.1. Correlation Analysis

A correlation is a measure of how strongly two variables relate to each other. Correlation coefficients are frequently used to describe data because they are relatively easy to use and provide a great deal of information in just a single value (Akroush, 2003). Pearson's coefficient of correlation or simple correlation is the most widely used Method of measuring the degree of relationship between two variables (Kothari, 2004). The calculated value of the correlation coefficient ranges from -1 to 1, where -1 indicates a perfect negative relation (the relationship is perfectly linear) and 1 indicates a perfectly positive relationship. A correlation coefficient of 0 indicates that there is no correlation Akroush (2003). As per the guide line suggested by Field (2005), the strength of relationship 0.1 to 0.29 shows week relationship; 0.3 to 0.49 is moderate; > 0.5 shows strong relationship between two variables.

Table 9: Relationships between IMC dimensions and Brand Preference

	Correlations								
		ADV	SPR	DMK	PSL	PR	BRP		
	Pearson Correlation	1	.256**	.327**	.433**	.211**	.625 <sup>**</sup>		
ADV	Sig. (2-tailed)	-	.000	.000	.000	.000	.000		
	N	305	305	305	305	305	305		
	Pearson Correlation	.256**	1	.419**	.146*	.300**	.493**		
SPR	Sig. (2-tailed)	.000	-	.000	.011	.000	.000		
	N	305	305	305	305	305	305		
	Pearson Correlation	.327**	.419**	1	.366**	.344**	.618**		
DMK	Sig. (2-tailed)	.000	.000		.000	.000	.000		
	N	305	305	305	305	305	305		
	Pearson Correlation	.433**	.146*	.366**	. 1	.202**	.543**		
PSL	Sig. (2-tailed)	.000	.011	.000		.000	.000		
	N	305	305	305	305	305	305		
PR	Pearson Correlation	.211**	.300**	.344**	.202**	1	.446**		

1		I				l I	
	Sig. (2-tailed)	.000	.000	.000	.000		.000
	N	305	305	305	305	305	305
	Pearson Correlation	.625**	.493**	.618 <sup>**</sup>	.543**	.446**	1
BRP	Sig. (2-tailed)	.000	.000	.000	.000	.000	
	N	305	305	305	305	305	305

<sup>\*\*.</sup> Correlation is significant at the 0.01 level (2-tailed).

(Source: Own Survey, 2021)

## 4.3.2. Assumption Tests of Linear Regression Model

Linear regression is an analysis that assesses whether one or more predictive variables explain the dependent (criterion) variable. The regression assumptions are correlation (linear relationship), Multicollinearity, Homoscedasticity and Normality test.

Table 4.8 below shows the relation between the five dimensions of IMC and brand preference. The results of the correlation test revealed that, all dimensions of IMC had positive and significant relation with brand preference. Specifically, Advertising had relatively strongest positive relation (r = 0.625) followed by Direct Marketing (r = 0.618) and Personal Selling (r = 0.543); whereas Sales Promotion (r = 0.493) and Public Relation/Publicity (r = 0.446) had moderate relationship. In summary, all IMC dimensions and brand preference had significant and positive relations.

## 4.3.2.1. Multicollinearity

Multicollinearity refers to the situation in which the independent variables are highly correlated. When the independent variables are multi-co linearity, there is overlap or sharing of predictive power. When the predictor variables are correlated among themselves, the unique contribution of each predictor variable is difficult to assess. One should check for the problem of multicollinearity which is present if there are high correlations between some of the independent variables. The study checks this with the

<sup>\*.</sup> Correlation is significant at the 0.05 level (2-tailed).

Variance Inflation Factor (VIF) which calculates the influence of correlations among independent variables on the precision of regression estimates. The VIF factor should not exceed 10, and should ideally be close to one. (Hair, 2004).

Table 10: Collinearity Assumption Test

Coefficients <sup>e</sup>						
Model		Collinearity Statistics				
		Tolerance	VIF			
	ADV	.759	1.318			
	SPR	.781	1.281			
1	DMK	.688	1.454			
	PSL	.750	1.334			
	PR	.842	1.187			

a. Dependent Variable: BRP

(Source: Own Survey, 2021)

As can be seen from table above, regarding this study the tolerance level of all independent variables are greater than 0.1 and the VIF value of all the independent variables are also less than 10. This confirms the absence of multicollinearity.

## 4.3.2.2. Homoscedasticity

Testing for Homoscedasticity lies with an assumption in regression analysis that the residuals at each level of the predictor variable(s) have similar variances. Using the plots of ZRESID against ZPRED, the distribution is checked whether the graph looks like a random array of dots evenly dispersed around zero. This is to mean that at each point along any predictor variable, the spread of residuals should be fairly constant. The variability in scores for independent variables should be similar at all values of the dependent variable. The scatter plot should show an even rectangular shape along its length. This means that the residuals (the differences between the values of the observed

and predicted dependent variable) are normally distributed, and that the residuals have constant variance which indicates the assumption of Homoscedasticity was met. (see Appendix 5).

### 4.3.2.3. Normality

Normality of a data should be tested before running the regression analysis because multiple regressions require that the independent variables in the analysis be normally distributed. The residuals were normally distributed check the values of Kurtosis and Skewness. Their values should be around its mean of zero it was consistent with a normal distribution assumption. As the figures confirmed the normality assumption of the data, this implies that the inferences made about the population parameters from the sample statistics tend to be valid.

### 4.3.3. Multiple Linear Regression Analysis

Regression model was applied to test how far the IMC had impact on the brand preference. Coefficient of determination (R²) is the measure of proportion of the variance of dependent variable about its mean that is explained by the independent or predictor variables. Multiple regression analysis in this study was used to model the value of brand preference based on its linear relationship to two or more predictors (Advertising Sales Promotion, Direct Marketing, Personal Selling, and Publicity) and brand preference as dependent variable.

Table 11: Model Summary

Model Summary							
Model	R	R Square	Adjusted R	Std. Error of the			
			Square	Estimate			
1	.829°	.688	.683	.57709			

a. Predictors: (Constant), PR, PSL, SPR, ADV, DMK

The model summary table shows an Adjusted R-Square value is 0.688 which means that 68.8% of brand preference was explained by the variation of the five variables. In other words, this means that 31.2 % of the dependent variable i.e., brand preference cannot be explained by these the five variables and that there must be other variables that have an influence on the outcome.

From the ANOVA table, it is possible to see the overall significant of the model. The mean squares can be calculated by dividing the sums of squares by the associated degrees of freedom. F-ratio is a test of the null hypothesis that the regression coefficients are all equal to zero. The table shows that the F-value (131.699) is significant at 0.01 level of significant (P value that corresponds to F statistics is significant). The result of the study indicated that model significantly predicts brand preference and has been significantly explained by the five independent (IMC) dimensions.

Table 12: ANOVA Analysis

F	۱	V	O	٧	F	١,

Model		Sum of Squares	df	Mean Square	F	Sig.
	Regression	219.304	5	43.861	131.699	.000 <sup>b</sup>
1	Residual	99.578	299	.333		
	Total	318.882	304			

a. Dependent Variable: BRP

b. Predictors: (Constant), PR, PSL, SPR, ADV, DMK

The last output in the analysis of the multiple regression models represents the output for the beta coefficients of each IMC dimensions. The regression equation for this research is presented below.

CPR =
$$\beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + e$$

Where, BRP = Brand Preference, ADV = Advertising, SPR = Sales Promotion, DMK = Direct

Marketing, PSL = Personal Selling and PR = Public Relations/Publicity.  $\beta_0$  = Constant,  $\beta_1$  to  $\beta_4$  = beta coefficients, and e = error terms.

## =.279+.348 ADV+.277 SPR+.277 DMK+.204 PSL+.311 PR

The regression analysis shows that, all promotional mix dimensions have positive and significant effect on brand preference. Advertising ( $\beta$  = .348) had relatively the highest effect followed by WOM publicity (.311). Direct Marketing (.277) andSales Promotion (.277) had positive significant contribution on brand preference of Cerifam baby foods. Personal Selling (.204) has relatively lower contribution to the prediction model. This predicted change in the brand preference for every unit change in that specific predictor variable. This means, for instance,a unit increase in advertising would bring a 0.348 unit increase in brand preference, provided keeping the other variables constant. Similarly,a unit increase in Sale Promotion or Direct Marketingwould bring a 0.277 unit increase in brand preference, and same holds to the other variables. The results, Table 4.13, implies that all dimensions of promotional mix had statistically significant influences on brand preference at 95% confidence level (p<0.05).

Table 13: Eatimated Regression Coefficients

### Coefficients<sup>a</sup>

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		В	Std. Error	Beta		
	(Constant)	.279	.128		2.188	.029
	ADV	.235	.025	.348	9.371	.000
	SPR	.139	.025	.277	5.579	.000
[	DMK	.223	.031	.277	7.097	.000
	PSL	.188	.031	.204	6.072	.000
	PR	.126	.026	.311	4.843	.000

a. Dependent Variable: BRP

(Source: Own Survey,

2021)

4.4. Discussion

Ababa.

The study was intended to assess the effect of promotional mix on brand preference towards Packaged Baby Foods – The Case of Cerifam Brand of Faffa Food S.C., Addis

The first specific objective was to determine the effect of advertising on brand preference of Cerifam Brand of Faffa Food S.C. The results indicate that Advertising has positive and significant effect on customer loyalty (B= .235). The finding is also supported by (Patel & Chugan, 2015) who explained that customers see ads every day, but will only remember favored brands using either electronic media such as the internet, online sales, television, radio or print media such as newspapers, billboard, magazines, catalogues. That mean, it enhances the attraction of customers through creating awareness, providing detailed information.

Referring the second specific objective, assessing the effect of sales promotion on brand preference of Cerifam Brand of Faffa Food S.C, it was found that sales promotion had positive and significant effect on brand preference. sales promotion has a capability to enhances the company preference through provision of sales discount, low-cost gift to motivate its customers and organizing events to promote their products during holiday events and other social events (Cole, 2011). Sales promotion as an activity to encourage purchases and is an essential element of marketing planning (Adebisi, 2006) mentions as a marketing effort that serves to inform the product to consumers to buy or continue to buy the products.

Regarding the third objective, determining the effect direct marketing on brand preference of Cerifam Brand of Faffa Food S.C, it was found that direct marketing had positive and

significant effect on brand preference, it was found that direct marketing activities such as reminding potential customers through different personal contacts, social medias and telephones increased their sales through frequent buyers. Similarly, creating platform for interactive communication as well as updating new information regarding product innovation played significant role in promoting their sales growth. The study is in line with the finding of Lee (2002) argued that Direct marketing can affect preference through information about products directly received by consumers. direct marketing more effectively as directly to various audiences as well called as an interactive marketing system that uses one or more ad media to measure sales at every level (Muhanji, 2015).

The effect of personal selling on brand preference of Cerifam Brand of Faffa Food S.C, it was found that personal selling had positive and significant effect on brand preference, Personal selling involve in salesmen and prospective customers or customers with the intention of forming, persuading or reminding them or serving consumers appropriately (Adebisi, 2006). The company staff need to be knowledgeable, communicative and show sincerity during talk to its customers. Personal sales as face-to - face encounters with one or more prospective purchasers in order to make presentations, answer questions and orders (Brassington, 2000).

Finally, the fifth objective was to evaluate the effect of public relation on brand preference of Cerifam Brand of Faffa Food S.C, it was found that public relation had positive and significant effect on brand preference. The results of this study revealed that the WOM publicity had positive but weak significant effect on brand preference. A study done by Ismail (2012) argued that publicity activities assist the organization to generate auspicious image of the product and generate trust among customers and thus induce the attitude and perception which results to improved sales. The company should exert efforts to change its brand image through aggressive publicity when concerns of the public are initiated.

All promotional mix practices have significant and positive effect on brand preference of Cerifam Brand of Faffa Food S.C. advertising, direct marketing and personal selling played significant role in brand preference. periodic evaluation of promoting marketing messages to the targeted customers should be required to enhance the effectiveness of such marketing strategies. having properly integrated marketing communication has an advantage of cost-efficiency, assurance of message delivery and potential to build brand equity in the long-run.

## **CHAPTER FIVE**

## SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

In this chapter of the study, summary of the major findings, conclusion and recommendations of the study is presented.

## 5.1. SUMMARY OF MAJOR FINDINGS

The primary objective of this study was to assess the effect of promotional mix practices on brand preference of Cerifam Brand of Faffa Food S.C. Five dimensions of promotional mix namely Advertising, Sales promotion, personal selling, Direct Marketing and WOM publicity were considered to investigate their significant effect on brand preference. A sample size of 305 respondents was selected using convenience sampling technique from

customers of Cerifam Brand.

Advertising - Specific Objective -1

Respondents are agreed on all the advertisement related questions. Advertising had positive and strong relationship with Brand Preference (r = 0.625) and Advertising had relatively the highest statistically significant effect on overall Brand Preference (β = .348).

Sales Promotion – Specific Objective -2

• Organize event as sales promotion (mean 3.94), offers of sales discounts (mean 3.46) or attractive promotional packages (mean 3.65). Sales promotion has positive but moderate relation (r = .493) with brand preference but it had significant effect on brand preference ( $\beta = .277$ ).

Direct Marketing - Specific Objective -3

- The respondents strongly agreed that the company use social medias to promote their new products to its customers (mean 4.00) and the staffs' interactive communication (mean 4.14).
- Direct Marketing has positive and strong relation with brand preference (r = 0.618) and, similar to sales promotion, it had significant and positive effect on brand preference ( $\beta$  = .277).

## **Personal Selling**

- Majority of the respondents are agreed on that friendly relationship (mean 3.44), sincerity (mean 3.41), and knowledgeability (mean 4.16).
- Personal Selling has positive strong relation with brand preference (r = 0.543) and relatively lowest positive significant effect on brand preference ( $\beta$  = .204).

Word-of-Mouth Publicity

- The results revealed that majority of the respondents agreed that the company appealing (3.42)
- WOM publicity had direct moderate relation (r = 0.446) but relatively has relatively highest significant and positive effect ( $\beta$  = .348) next to advertising on overall brand preference.

The predictor variables accounted for 68.8 % variation in brand preference. All four dimensions of promotional mix had positive and statistically significant effect on brand preference of Cerifam baby formula. They can be taken as good predictors for retention of customers in long-run.

## 5.2. CONCLUSION

The main objective of this study was, thus, to assess how promotional mix tools (such as advertising, personal selling, sale promotion, publicity and direct marketing) on brand preference. Results of the findings revealed that all promotional mix dimensions, showed positive and significant relationship with brand preference in the context of Cerifam customers in Addis Ababa. It also endorsed that all independent variables had positive and statistically significant effects on brand preference.

Specifically, the results of the finding illustrated that Advertising had relatively the highest positive and significant effect on brand preference of Cerifam baby foods in Addis Ababa. It was found that advertising was preferred promotional channels to address marketing messages to customers of Cerifam brand. According to (Patel & Chugan, 2015), consumers are subjected to showers of commercial ads every day, but would only remember favored brands using either commercial broadcasting or social media. One can concluded that Cerifam brand advertising influenced the brand preference and purchase decision of targeted respondents (mothers in this case), that means it enhances the attraction of customers through creating awareness, providing detailed and trustworthy marketing message through advertisement along with frequent reminder to purchase

enhance the brand preference of the mothers.

In this study, personal selling also had positive and significant effect on brand preference of Cerifam baby foods in Addis Ababa. Sales staffs interact face to face with its customers to help its customers to get information about their company products. In this regard, the finding revealed that the company had a lot to do on frequent visit of its customers to use Cerifam products. This research also discovered that personal selling is also the most important factor to influence the consumers` brand preference. It can be concluded that the more consumers are exposed to personal selling, mother's intention to buy Cerifam packaged baby food products will increase.

Direct marketing in the context of Cerifam packed baby food had positive and significant effect on brand preference. It has the role of enhancing preference through creating platform for interactive communication as well as updating new information regarding its brand product to provide current information to its customers. Utilization of social media to feed valuable information to promote their new products to the customers and the staffs' competence in interactive communication escalates the brand preference of the consumers.

Sales promotions was found to be marginally successful in affecting consumer brand preference among consumers (mothers). Frequent sponsorship of social events, offering sales discounts, and provision of attractive promotional packages influence their purchase decision but the respondents were indifferent regarding the company's low-cost gift offers which can be concluded that less gifts to its customers were offered to motivate and attract their attention. It can be taken as a conclusion that promoting through sales discounts and offering strong incentives can be used to dramatize product offer to boost sagging sales.

Word-of-Mouth Publicity also had relatively the highest effect on Cerifam brand preference by the respondents next to advertising. It is evidenced that mothers are more conscious on their baby's concern for the sake of their safeties and wellbeing. They are prone to believe the information from previous users, families and friends in particular. This leads to increase the influence of word-of-mouth promotion on purchase decision of products and services. Thus, one can concluded that word of mouth had strong positive effect on mother's choice of packed bay foods in Addis Ababa.

It can be concluded that promotional mix tools have significant and positive effect on brand preference. Advertising, direct marketing and sales promotion played relatively more significant role in enhancing preference of the brand that could results in long term relation with customers. Hence, managers should understand how important these variables are to increase preference of the brand by its customers and to provide expected service.

#### 5.3. RECOMMENDATION

Based on the findings of the study, the study suggested the following recommendations:

- Results of the findings revealed that advertising has positive and statistically significant effect on overall brand preference of Cerifam baby food. In advertising, the management should enhance its trustworthiness create awareness and remind their customers about the company products. FAFFA food company managements need to carefully select the source media, type information and nature of their audience while advertising their products.
- Sales promotion has also positive and significant effect on brand preference. The managements of the company should develop system to make low-cost gifts to motivate customers results in attracting more potential and existing customers.
- Regarding the direct marketing, since direct marketing influences brand preference significantly, the managements should update its customers through different medias and use phone calls to send clear message regarding to new product offers.

- Personal selling the managers should work on sales staff visitation to its customers as personal selling practices had positive and significant effect on brand preference.
- Marketing managers should make the WOM publicity medias more reliable, detailed, attractive and properly customized information to enhance buyers' awareness in personal selling.

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Appendices					
Appendix – I. Survey Questionnaire					
Questionnaire to be filled by Respondents (Mothers)					
Dear Respondent,					
My name is SerkalemBandarga and I am a graduating class currently enrolled at St. Mary's University, School of Graduate Studies. I am conducting my thesis entitled "The Effects of					
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Promotional Mix on Brand Preference towards Packaged Baby Foods – The Case of Cerifam Brand of Faffa Food S.C., Addis Ababa" as a case study for a partial fulfillment of the requirements for the degree of masters of marketing management. This study is done to examine the effect of integrated marketing communication practices on brand preferences of mothers who live in the city. How promotional mixes are currently implemented by the company and to what extent its promotional practices affect the brand preference of customers. Pease be honest in filling this questionnaire, as the results of this study can be used as a basis for further study. Your confidentiality will be protected and any information collected in this Study will be granted with full confidentiality.

Please don't hesitate to contact me if you have any doubts, comments or suggestions regarding the content and the subject matter as well. My good contact no. is:

Name- SerkalemBandarga

Mobile- 0911 15-45-14

Thank you for your valued time in advance!

## Part I. General Information

1. Age(years old)	230	<u> </u>	0 41 - 50		
2. Education	High school	Degree 🗀	Masters	<b>□</b> h.D.	
	Other, please specify				
3. Income(Birr/mon)	< 10,000	10,0010,000	20,001 ,000	> 30,(	

<ol><li>Employment</li></ol>	Employed 🔲	Self-employed	J Unemployed 🔲

# Part II.Study Questions Related to Integrated Marketing Communication and Brand Preference

Please read each statement carefully and show your level of agreement on the statements by putting "X" mark in the boxes using the following 5-scale Likert scales: Strongly agreed (SA)=5, Agreed (A)=4, Neutral (N)=3, Disagreed (DA)=2, and Strongly disagreed (SDA)=1

Description			Scale			
Advertising		2	3	4	5	
FAFFA's advertising is more informative than competitors						
Regarding Cerifam baby food, trustworthy information is advertised by FAFFA						
FAFFA's Advertising enables me to be more aware about Cerifam and its features						
After watching FAFFA's advertisement, I regard Cerifam as a healthier baby food						
Any time I see FAFFA's advertisement, it reminds me to purchase Cerifam						
Sales Promotion	1	2	3	4	5	
FAFFA often uses low-cost gifts to motivate me to use Cerifam						
The salesdiscount during holiday events by FAFFA attracts me more to buy Cerifam						
The company uses attractive promotional packages as a tool for promoting Cerifam						
The company organizes events as sales promotion						
Direct Marketing	1	2	3	4	5	
The company updates me about its products through my personal mail						
The company often uses social media to promote its new product						
The company uses phone calls to send clear messages regarding new product offers						

FAFFA staff's interactive communication persuade me to buy Cerifam					
Personal Selling	1	2	3	4	5
FAFFA's sales staff contact me frequently to visit Cerifam products					
FAFFA's sales staff are knowledgeable to instill confidence on customers					
Sincerity of FAFFA's sales staff influences me to use Cerifam product					
FAFFA's sales staff create friendly relationship which influenced me to buy Cerifam					
Public Relations & Publicity	1	2	3	4	5
FAFFA often uses appealing printed materials to promote the health benefits of Cerifam					
Reliable information, disseminated viathe public relation, tempted me to use Cerifam					
The company provides more detailed information via its public relation officers					
Information from the FAFFA's public relation makes me perceive the brand positively					
Brand Preference	1	2	3	4	5
If I need baby food, I prefer to buy Cerifam					
I would like Cerifam product of FAFFA in particular					
Even if I have other choices, I buy Cerifam					
Whenever I purchase baby food, Cerifam is my first priority					

Many Thanks for Your Valued Time!!!

# Appendix II - Survey Questionnaire / Amharic Version

# Appendix III - Outputs of SPSS Data Analysis

