



St. Mary's University

School of Graduate Studies

**Analyzing the Influence of Marketing Mix Elements on
Customers' Passenger Car Brand Preference;**

The Case of Car Dealers in Addis Ababa

By:

Elsabet Worku

June, 2022

Addis Ababa, Ethiopia

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**Thesis Submitted to St. Mary's University, School of Graduate
Studies in the Partial Fulfillment of the Requirements for the
Degree of Master of Marketing Management.**

**BY
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DECLARATION

I, the undersigned, declare that this thesis entitled “**The Influence of Marketing Mix Elements on Passenger Car Brand Preference: The Case of Car Dealers in Addis Ababa**” is my original work, prepared under the guidance of my advisor Ass. Prof. Zemenu Aynadis. All sources of materials used for the thesis have been duly acknowledged. I further confirm that the thesis has not been submitted either in part or in full to any other higher learning institution for the purpose of earning any degree.

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June, 2022

ENDORSEMENT

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

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June, 2022

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Abstract

This study was conducted with an objective of analyzing the influence of marketing mix elements on passenger car brand preference in the case of selected car dealers in Addis Ababa. It conceptualized and developed four dimensions of marketing mix elements: product, price, place and promotion and tests their relationship with brand preference. This study used both descriptive and explanatory research designs. Based on the objective of the study 22 items were provided in a 5 point Likert scale to 323 respondents. Non Probability, Convenience sampling method was used. The data was collected through close ended questionnaire and analyzed through both descriptive and inferential statistics. The descriptive analysis was conducted by using mean and standard deviation. On the other hand, inferential analysis was conducted by using Pearson correlation and multiple linear regression assumptions. The result indicated that marketing mix elements have significant positive effect on brand preference at significance level of 0.05. Product has the highest effect. Based on the findings the researcher recommends that dealers' Marketing professionals should pay consistent attention to these Marketing Mix Elements especially to the Product element upon designing their Marketing strategies.

Keyword: *Marketing Mix, Brand Preference, Product, Price, Place and Promotion*

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

According to Rosebloom (2013), marketing mix is a business tool used by the management of organizations which enable them to remain in the global competitive environment. Marketing mix refers to the seven major areas of decision making in the marketing process that is blended and mixed to obtain the results desired by the organization to satisfy the needs and wants of customers. It is the set of controllable, tactical marketing tools of product, price, place, promotion, process, people and physical evidence which are the variables that marketing managers can control in order to best satisfy customers' needs. Kotler and Armstrong (1997) argue that the traditional marketing mix has been defined as a set of controllable instruments to control the uncontrollable and dynamic marketing environment and consists of four major elements ("4Ps"): Product, Price, Place and Promotion.

Kotler (1994) states that a product is anything that can be offered to a market for attention, acquisition, use, or consumption that might satisfy a want or need.

Of the "P's" of marketing, pricing holds a unique attribution to a seller's profitability. Not only have companies been striving to seek effective pricing strategies, but also researchers have been investigating buyers' reactions to sellers' pricing strategies including their perceptions of price fairness (Herrmann, Xia, Monroe, & Huber, 2007). Perceived price fairness is consumer's subjective assessment of whether the difference between a seller's price and the price of a comparative other party is reasonable, acceptable, or justifiable (Bolton et al., 2003; Xia et al., 2004).

Another very important element of marketing is Place that is also called the distribution, which is defined as the process and methods by which products or services reach customers (Martin, 2014).

Place is concerned with how an organization will distribute the product or service they are offering to the end user. The organization must distribute the product to the user at the right place at the right time. Efficient and effective distribution is important if the organization is to meet its

overall marketing objectives. Any disagreement between marketing channel members on goals and roles may create channel conflict, which eventually could hamper overall reputation of the specific brand (Kotler, 2006).

Promotion deals with telling the target market or others in the channel of distribution about the right product (Perreault & McCarthy. 2002). It is not enough for a business to have good products sold at attractive prices. To generate sales and profits, the benefits of products have to be communicated to customers. In marketing, this is known as promotion mix. Promotion keeps the product in the minds of the customer and helps stimulate demand for the product. Promotion involves ongoing advertising and publicity, sales promotion, direct mail, public relations, and personal selling. A promotion that provides incentives to try a new flavor or new use will be more effective if the brand is familiar and there is no need to combat a consumer skeptical of brand reputation (Pringle & Thompson 1999).

Kotabe and Helsen (2010) defined a brand as “a name, term, sign, symbol, or combination of them which is intended to identify the goods and services of one seller or group of sellers as to differentiate them from those of competitors.”

According to Kotler and Keller (2012), a brand is a product or service whose dimension differentiates it in some way or form from other products or services designed to satisfy the same needs. These differences may be functional, rational, or tangible. They may also be more symbolic, emotional or intangible related to what the brand represents or means in a more abstract sense (Kotler & Keller, 2012).

Brand preferences represent consumer dispositions to favor a particular brand (Overby and Lee, 2006). It refers to the behavioral tendencies reflecting the extent to which consumers’ favor one brand over another (Hellier et al., 2003; Zajonc and Markus, 1980).

Brand preference is an essential step in understanding consumer brand choice; has therefore, always received great attention from marketers. Brand preference is close to reality in terms of reflecting consumer evaluation of brands. In the marketplace, consumers often face situations of selecting from several options (Dhar, 1999).

Brand is a distinguishing feature of a product and is often important to customers purchasing the product. Changes in consumer brand preferences are reflected on the brand performance and

market shares (Sriram et al., 2006). In addition, brand preference combines the desired attributes and consumer perceptions; thus, it offers an indirect and unobtrusive way to assess salient attributes (Keller, 1993; O'Connor and Sullivan 1995; Schoenfelder & Harris, 2004). Therefore, uncovering consumer brand preferences are considered critical input to design successful brand strategy, brand positioning, and gives insights to product development (Alamro & Rowley, 2011; Alamro, 2010; Horsky et al., 2006).

Brand preference is the extent to which the customer favors the designated service provided by a certain company, in comparison to the designated service provided by other companies in his or her consideration set. "Preferences facilitate consumers' choice by enhancing their intentions towards the favored brand. Actual purchasing behavior is likely to correspond to intentions; the mechanism of intention formation provides evidence of persistent consumer preferences (Van Kerckhove et al., 2012).

Customers prefer one brand over the other may be because the product is readily available. In the case of automobile market, an importers' failure to acquiring a foreign exchange hinders its products stock availability and push customers to go to alternative suppliers with different brand. Price may also affect customers brand preference. Some customers may perceive an expensive car as a manifestation of class and prestige. Others may buy based on affordability dimension. Availability of spare parts which can be considered as an aftersales service has a power of making potential customers prefer one brand to another. Especially from Ethiopian customers' context, since car is considered as a luxury product than necessity, customers always buy cars hoping to resell in the future. To this effect, availability of spare part is seen to be among the major prerequisites in choosing a particular brand. Other customers may also prefer a product because it's readily available and can be found at a convenient place. For example, recently the car brand named "Suzuki Dezire" is seen being driven almost every step of the road; because it is abundantly available in many grey markets. As aforementioned, customers' brand preference seems to be influenced by many aspects of the marketing mix elements. Therefore, this study attempted to analyze whether marketing mix elements (4Ps) has influence on customers' brand preference of passenger cars.

1.2 Statement of the problem

Consumer choice process is a complex phenomenon. Making a decision to buy a product or services involves many processes. The literature on brand preference reveals that for the selection of durable products, especially passenger cars, the customer has to spend much time to evaluate and choose the desired one based on their need and economic condition. Nowadays, automobile purchasing intention of customers is changing from reselling concept to manifestation of their lifestyle. There is also a tremendous increment in availability of variety of car brands compared to previous years. Accordingly, customers are able and tend to prefer one brand to the other for different reasons which are becoming a headache to marketers upon drafting a sound marketing strategy and keep their company at a competitive edge. Hence, it is very critical for companies to understand the customers' requirements and provide the products in a way that satisfy their needs and eventually gain a competitive advantage. To the best of my knowledge, there are no sufficient studies made on whether Marketing Mix elements influence customers. Most of the studies made are not restricted only to 4Ps' effect on customers brand preference of passenger cars. Factors like self-image, brand name, external influences have been studied as determining variables for customers' preference of passenger cars together with part of marketing mix elements (Nareth, 2012). Thus the major purpose of this study is therefore to fill the theoretical, empirical and practical gaps. Understanding of customers' passenger car brand preference and what constitute their brand preference will help dealers in maintaining their current customers and attract new ones. Hence, this study is conducted with the aim of knowing the effect of marketing mix elements (4Ps) on passenger car brand preference of customers who intend to buy or already bought a passenger car from selected prominent car dealers namely; MOENCO, Nyala Motors, Ries Engineering and Belayab Motors; of the brands Toyota, Nissan, Ford and Kia passenger cars respectively.

1.3 Research Questions

- ✚ What is the perception of customers towards passenger car Product, Price, Promotion and Distribution (Place)
- ✚ Does Product attributes influence customers' preference of passenger cars?
- ✚ Does Price influence customers' brand preference of passenger cars?
- ✚ Does Place (availability) influence customers' brand preference of passenger cars?
- ✚ Does Promotion influence customers' brand preference of passenger cars?

1.4 Research Objectives

1.4.1 General Objective

The overall aim of this study is to know the effect of Marketing Mix elements (4Ps) on customers' brand preference of passenger cars in the case of selected automobile importing and assembling companies customers' in Addis Ababa.

1.4.2 Specific Objective

- ✚ To assess the perception of customers towards passenger car Product, Price, Promotion and Distribution(Place)
- ✚ To examine the influence of Price on customers' brand preference of passenger cars.
- ✚ To determine the influence of Product attributes on customers' brand preference of passenger cars.
- ✚ To find out the effect of Place (availability) on customers' brand preference of passenger cars.
- ✚ To analyze the effect of Promotion on customers' brand preference of passenger cars.

1.5. Significance of the study

The study can help organizations that are in the automotive industry to know the factors that influence customers in their passenger car brand preference. Having such information enables organizations to prioritize their marketing activities accordingly and move ahead of competition. Secondly, since there is no sufficient and to the point research conducted on this topic it will help as an input for researchers further investigation. Third the study can be a reference for new firms trying to enter in to the industry. Last but not least, it also helps Marketers in the automotive industry in their Marketing strategy development.

1.6. Scope of the study

1.6.1. Geographical Scope

Conducting a research on all passenger car owners will not be ideal and requires covering all regions of Ethiopia; which is not feasible as a student researcher because of both cost and time limitations. Therefore, the study is conducted on retail customers of four selected passenger car importers and assemblers; namely, MOENCO, Nyala Motors, Ries Engineering and Belayab Motors of the brands Toyota, Nissan, Ford and Kia in Addis Ababa respectively.

1.6.2. Conceptual Scope

Conceptually, the study analyzed the 4P's of marketing mix elements (Product, Price, Place and Promotion) for their effect on customers passenger car brand preference.

1.6.3. Methodological Scope

Data was collected from customers of the aforementioned dealers' customers. The study used explanatory and descriptive research design.

1.7. Limitation of the Study

Since the study is conducted only on the aforementioned passenger car importers' customers, it overlooks the grey markets (passenger car sellers who are not exclusive importers of a particular brand) , other dealers and their respective brands; hence the findings' representativeness and generalizability is delimited partly to those importers who are entitled with exclusive dealership privilege.

1.8 Organization of the Study

This study is organized in five chapters: Chapter one has contained the introduction part dealing with problem statement, research questions, general and specific objectives, significance of the study and its scope and limitation. The second chapter dealt with the review of literature about the subject matter. Chapter three is about research methodology; approaches and designs, population and sample size, data collection and analysis methods. And the fourth chapter presents the analysis and interpretation of the data collected through questionnaire. The final chapter consists of the summary of findings, conclusion and recommendations.

CHAPTER TWO

2 LITERATURE REVIEW

2.1. Theoretical Literature

2.1.1. The Marketing mix elements

Borden, N.H. (1965), in his original marketing mix, had a set of 12 elements namely: Product planning, branding, Pricing, channel of distribution, personal selling, advertising, promotions, packaging, display, servicing, physical handling and fact finding and analysis.

He did not consider this list of elements to be fixed or sacrosanct and suggested that others may have a different list to his. Other suggested frameworks include Frey's (1961) suggestion that marketing variables should be divided into two parts: the offering (product, packaging, brand, price, service) and the methods and tools (distribution channels, personal selling, advertising, sales promotion and publicity). Lazer and Kelly (1962) and Lazer et al. (1973), on the other hand, suggested three elements: the goods and services mix, the distribution mix and the communication mix.

However, the most popular and most enduring marketing mix framework has been that of McCarthy who regrouped and reduced Borden's 12 elements to the now popular 4Ps, namely: product, price, promotion and place (McCarthy, 1964, p.38). Each of these categories consists of a mix of elements in itself and hence one can speak of the "product mix", "the promotion mix", and so forth. For instance, Kotler and Armstrong list advertising, personal selling, sales promotion and publicity under the heading of promotion. The 4Ps formulation is so popular, in fact, that some authors of introductory textbooks define the marketing mix synonymously with the 4Ps.

While McCarthy's 4Ps framework is popular, there is by no means a consensus of opinion as to what elements constitute the marketing mix. In fact the 4Ps framework has been subjected too much criticism. Kent (1986), for example, argues that the 4Ps framework is too simplistic and misleading. Various other authors have found the 4Ps framework wanting and have suggested

their own changes. For instance, Nickels and Jolson (1976) suggest the addition of packaging as the fifth P in the marketing mix. Mindak and Fine (1981) suggested the inclusion of public relations as the fifth P. Kotler suggests the addition of Power as well as public relations in the context of “mega marketing” (1986). Payne and Ballantyne (1991) suggest the addition of people, processes, and customer service for relationship marketing. Judd (1987) suggests the addition of people as a method of differentiation in industrial marketing. These criticisms and suggestions for change have been largely ad hoc and have arisen out of consideration of specific marketing problems. Much more concerted criticism has come from the areas of industrial and services marketing.

The needs for modification of the 4Ps mix Industrial marketers have long claimed that industrial marketing has features that make it unique and different to consumer marketing. The most important of these features are product complexity and buying process complexity that leads to a high degree of interdependence between buyers and sellers. This has led Webster (1984) to assert that the essence of industrial marketing is the buyer-seller relationship which binds the two together in pursuit of their corporate goals, each becoming dependent on the other. The focus of industrial marketing should not be products but buyer-seller relationships (Webster, 1984, p. 52). In the buyer-seller interaction process the influence process is negotiation and not persuasion, as it is implied by the marketing mix approach (Webster, 1984, p. 63).

Industrial marketing has, therefore, tended to emphasize the importance of building of relationships in marketing rather than the manipulation of the market through the marketing mix. The criticism leveled at the 4Ps by the interaction/network approach is that personal contacts are rarely discussed and even then only in the context of salesperson-consumer interaction, where the mass marketing approach is insufficient (for example the sale of insurance and cars). Long-term relationships are more important than obtaining immediate sales, as personal relationships can be longer lasting than product or brand loyalties (Gummesson, 1987). More recently the weaknesses of the goods marketing approach have been exposed by the growing literature on services marketing. There is a growing consensus in the services marketing literature that services marketing is different because of the nature of services. That is, because of their inherent intangibility, perishability, heterogeneity and inseparability (Berry, 1984; Lovelock,

1979; Shostack, 1977) services require a different type of marketing and a different marketing mix (Booms and Bitner, 1981).

The original marketing mix as developed by Borden does not incorporate the characteristics of services, as it was derived from research on manufacturing companies (Cowell 1984; Shostack, 1977), and it is also argued that there is evidence that 4Ps formulation is inadequate for services marketing (Shostack 1977; 1979). Various modifications have been suggested to incorporate the unique aspects of services, for example Renaghan (1981) proposes a three-element marketing mix for the hospitality industry: the product service mix, the presentation mix and the communications mix. A more recent attempt at reformulating the marketing mix is that of Brunner's 4C's concept (1989), which comprises the concept mix, costs mix, channels mix and communications mix.

The concept mix is broadly equivalent to the idea of the product mix idea, although Brunner claims that it is better at describing variety of offerings by various types of organizations. The cost concept includes not just monetary costs (i.e., the traditional price element) but also costs incurred by the customer e.g. transportation, parking, information gathering, etc. The channels concept is essentially the same as the traditional place element. The communications element includes not only the traditional, promotional element but also information gathering, i.e., marketing research. In essence Brunner's attempt amounts to a change in nomenclature, the 4Ps being replaced by 4Cs. Furthermore, his cost and communications concepts do not strictly adhere to the concept of the marketing mix as a set of controllable variables used to influence the customer: cost incurred by customers in obtaining products such as transport, information gathering and so forth are not under the control of the marketers and, in any case, will vary from customer to customer. Also, marketing research activities are not used to influence buyer behavior, they are used to calibrate the marketing mix variables. Further, Brunner does not show how the 4Cs concept addresses the concerns of services and industrial marketing mentioned above.

The most influential of the alternative frameworks is, however, Booms and Bitner's 7Ps mix where they suggest that not only do the traditional 4Ps need to be modified for services but they also need to be extended to include participants, physical evidence and process.

2.1.1.1. Product

Product is defined as a physical product or service to the consumer for which he is willing to pay. It includes half of the material goods, such as furniture, clothing and grocery items and intangible products, such as services, which users buy (Singh, 2012).

Product is either a tangible good or an intangible service. It is what businesses offer to their prospective customers. Products consist of the core product and the added supplements that reinforce its value (Zikmund & d'Amico 2001, 9). A product can be a reward for those willing to pay for it.

Dang (2015) emphasizes that the product is the first and one of the key marketing elements. A product as defined by Armstrong and Kotler (2006) is anything that can be offered to a market for attention, acquisition, use, or consumption that might satisfy a want or need.

2.1.1.2. Price

Price is one of the most important marketing mix items and many scientists consider price as one of the most important elements of the market, which increases not only profits, but also market share. However, price is not only one of the key factors in a competitive situation, which directly affects the company's sales and profitability indicators, but also one of the most flexible marketing mix elements, which can quickly adapt to environmental changes. Therefore, it is the price that perceived as the only element of the marketing mix, generating revenue and the most important customer satisfaction and loyalty factor (Owomoyela et al, 2013).

Price is a quality index and products must be analyzed in terms of the advantages they offer (Khazaei Pool & Baloe Jam Khaneh, 2011). In consumable markets, price is an external indication of product quality and high-price brands are considered as high-quality brands (Kim & Hyun, 2011). On the other hand, since the quality of a product is a norm and can be easily proved, higher price may have negative effect on brand loyalty; because it may lack the indication of higher quality and it just highlights the more money that must be paid (Cretu & Brodie, 2007).

In determining the price of a product, a company or marketing manager needs to consider not only the costs it takes to produce the item, but also the customer's perception on the value of the product (Hanna and Dodge, 1995).

In economics, Adam Smith gives the notion of price as “value in exchange”. Moreover, price is determined by the intersection of supply and demand in the market, or the so called market mechanism (Stiglitz & Walsh, 2006). While from a marketing perspective, price is defined as “The amount of money charged for a product or service, or the sum of the values that consumers exchange for the benefits of having or using the product or service” (Kotler and Armstrong, 2004).

2.1.1.3. Place

Another very important element of Marketing is place that is also called the distribution, which is defined as the process and methods by which products or services reach customers (Martin, 2014). It is one of the four marketing mix elements. It can be described as a set of interdependent organizations involved in the process of making a product or service available for consumption (Anderson and Vince, 2004:7). As Engle, (2009, pp.: 189) states that the marketer must choose distributors that reach its customers most effectively and other intermediaries that add value to the distribution process. Consistency of supply and availability at convenient locations are vital for brand reputation. Any disagreement between marketing channel members on goals and roles may create channel conflict which eventually could hamper overall reputation of the specific brand (Kotler, 2006).

According to Kibera & Waruingi (1988), determining the intensity of the distribution i.e. how wholesalers may and how any retailers will be recruited, is key with the options of intensive, selective and exclusive distributions being available. Managing the whole system (i.e. the supply chain) according to the attractor pattern can enable efficiencies to be achieved. If each element of the chain tries to optimize its own performance, there is a likelihood that minor ordering differences or disturbances can be amplified up the chain, resulting in large, unpredictable disturbances at, for example, the manufacturer level (Forrester, in Stacey, 1996).

2.1.1.4. Promotion

It is defined as sales promotion, advertising, personal selling, public relations and direct marketing (Borden, 1984). A decision of how best to relate the product to the target market and how to persuade them to buy it (Lovelock, Patterson and Walker, 1998). A communication program is important in marketing strategies because it plays three vital roles: providing needed

information and advice, persuading target customers of the merits of a specific product, and encouraging them to take action at specific times (Lovelock and Wright, 2002). Activities that cater to promotion are advertising, sales promotions, personal selling and publicity; they can all influence consumer's way of thinking, their emotions, their experience as well as their purchasing. Communications should be devised by marketers in such a way that it (1) offer consistent messages about their products and (2) are placed in media that consumers in the target market are likely to use (Munusamy and Hoo, 2008). Promotion is a selling technique; to succeed in any marketing program, it should be involved with communication (promotion). Promotion is very important as it provides information, advice, and it persuades the target market. It guides and teaches the customer to take action at a specific time and how they can use the product and get beneficial result from it. The product advertisement can be delivered by individual sales people, T.V, radio, internet, magazine, press, and all types of media.

2.1.2. Concept of Branding

In earlier time, branding came to being as identifier of one's property from the others. There was a time when some marks were used to keep one's cattle separate from other people's cattle, so that they can identify their own herd. However, in today's modern world, concept of branding has come to include much more than just creating a way to identify a product or company. As DeChernatony and McDonald (2003) clarification, brands have also been viewed to go beyond the physical components of what they stand for to encompass additional attributes, which are important considerations for consumers' buying decisions.

Brand definitions are numerous; different authors provide their own explanation towards the meaning of a brand. The definitions are useful to understand a brand from different perspectives. According to Kotler and Keller (2012), a brand is a product or service whose dimensions differentiate it in some way from other products or services designed to satisfy the same need. These differences may be functional, rational, or tangible related to product performance of the brand. They may also be more symbolic, emotional, or intangible related to what the brand represents or means in a more abstract sense.

Further, Keller (2004), define brand as a perceptual entity rooted in reality, but it is also more than that reflecting the perceptions and perhaps even the idiosyncrasies of consumers.

This definition states that brand is what resides in the minds of consumers and the ultimate goal of all efforts in creating a brand is creating a perceived value of products and services in the minds of consumers. Kapferer (2008), support Keller's definition by explaining a brand as a set of mental associations, held by the customer, which add to the perceived value of a product or service. These associations should be unique (exclusive), strong (salient), and positive (desirable).

American Marketing Association definition of brand is the one that is supported by many authors and found in various literatures. This definition explain a brand as a name, term, sign, symbol, or design, or a combination of them, intended to identify the goods or services of one seller or group of sellers and to differentiate them from those of competitors.

The above definitions have something in common which explain what a brand is. Brand is an added value, which identify and differentiate a product from other brands/products. Moreover, brand will be meaningful when consumers able to create a mental association in their mind. DeChernatory and McDonald (2003) offer a definition that incorporates many scholars views. A successful brand is an identifiable product, service, person or place, augmented in such a way that the buyer or user perceives relevant, unique added values which match their needs most closely. Furthermore, its success results from being able to sustain those added values in the face of competition.

Branding play many roles to both consumers and companies. As Kotler and Keller (2012) asserts, branding creates mental structures that help consumers organize their knowledge about products and services in a way that clarifies their decision making and, in the process, provides value to the firm.

According to Keller (2004), brands used to identify the source of a product and allow consumers to assign responsibility to a particular manufacturer or distributor. Brands play a significant role by signaling quality and other important characteristics of a product. In effect, they can reduce the risk associated with a product purchase decision. Ultimately, a brand is a source of competitive advantage. Although manufacturing processes and product designs may be easily duplicated, last impression in the minds of individuals and organizations from years of marketing activity and product experience may not be so easily reproduced. In this sense,

branding can be seen as a powerful means of securing a competitive advantage (Keller, 2004). Similarly Kapferer (2008), states that a brand is one of the very few strategic assets available to a company, which can provide a long-lasting competitive advantage.

In order to get competitive advantage, companies should create a benefit to consumers through employing effective brand strategy. A strong brand undoubtedly does differentiate the product from similar products, but having a strong brand name is not enough. The product itself also needs to be different in some way (Blythe, 2005). A strong brand is a brand with indispensable products or with strong intangible added value (Kapferer, 2008).

For branding strategies to be successful and brand value to be created, consumers must be convinced there are meaningful differences among brands in the product or service category (Kotler and Keller, 2012). Furthermore, Keller (2004) states that differences in outcomes arise from the added value endowed to a product as a result of past marketing activity for the brand. In order to convince consumers and achieve the objectives sought companies should focus on creating the added values based on consumers' needs. The brand's added values are those that are relevant and appreciated by consumers and which are over and above the basic functional role of the product (DeChernatory and McDonald, 2003).

As Peter and Donnelly (2007) state for some companies, the primary focus of strategy development is placed on brand building, developing, and nurturing activities. Thus, firms should give a due consideration for the development of a strong brand. If marketers can create a strong brand, consumers' can easily be attracted to a company's offering.

Moreover, branding results in more product variety and choice for consumers. It helps shoppers by providing much more information about products and facilitates their purchase decision.

2.1.3. Brand Preference

The term brand preference refers to the degree of brand loyalty in which a customer definitely prefers one brand over competitive offerings and will purchase this brand if it is available (Dibb et al., 2006). However, if the brand is not available, the customer will accept a substitute brand rather than expending additional effort finding and purchasing the preferred brand (Dibb et al., 2006).

According to Alamro and Rowley (2011) brand preference is an essential pre-requisite to brand equity. Moreover Keller (2004), view brand preference as an antecedent of brand loyalty and brand equity. In order to gain brand loyalty and high market share or obtain the outcomes of brand equity, creating consumers brand preference or effort to be the preferred brand should be at the heart of marketing activities.

A brand loyalty shows that a consumer chooses a brand among competing brands and not accepts any other as substitute (Kotler & Keller, 2003). Customers prefer the car brands according to their income level. Product image is the component which plays a dynamic role in the brand preference and that image based on consumer's awareness and related information about cars.

The people belonging to middle class like to prefer price as leading element to select the vehicle. On the other hand the quality, performance or package of a product brand are mainly considered by elite class people. That's why the price is the element which is firstly compared among different brands of cars by the consumers. People mostly prefer to purchase cars which give great quality with low price (Kwok, Uncles, & Huang, 2006). The five elements of making the decision about choosing the cars such as value or price, quality of the product, brand participation, brand advocacy and brand involvement.

2.1.4. Brand Participation

The brand preference increased due to participation by consumer in brand or company activities (Bagozzi & Dholakia, 2006). Some consumers don't attach with any product brand and don't participate in brand promotion activities (Blanchard & Markus, 2004).

2.1.5. Brand Advocacy

Brand advocacy is identification, support and promotion of the brand to other people, user or consumers who are the user of same or other brands" (Bhattacharya & Sen, 2003). Promotion of the brand product to the other users shows the brand advocacy and brand loyalty. Brand advocacy shows the consumer perception, thinking, interest and uses of the product only which delivered to other people to advocate this brand which is used his own and differentiate from other brands (Dutton & Dukerich, 1991; Scott & Lane, 2000).

2.1.6. Brand Involvement

Brand involvement shows how much customer has information, interest and concern about branded cars to choose in specific income level. Brand involvement is the only main and primary criteria to explain the consumer behavior about the product and its feelings (Chakravarti & Janiszewski, 2003). Brand involvement shows the relationship with consumer satisfaction that how much he was satisfied by the performance of brand (McColl - Kennedy & Fetter Jr, 2001; Mudie, Cottam, & Raeside, 2003). The use of the brand shows the experience and past knowledge of the consumer (Zaichkowsky, 1987). In earlier researches many researchers concisely described three elements of the brand involvement as personal, physically and situational. Printed media, radio and television are different sources to deliver the message or advertising the brand which have changed the preference of the consumer and its involvement towards the brand (Wright, 1973).

2.1.7. Price of Brand

The consumer expects at the time of taking purchase decision from the selection of car model to meet their quality, brand images, performance, charge appropriate cost, sales & after sales quality criteria at least (Aghdaie & Yousefi, 2011). Mostly consumer prefer only product price. The price of the product has impact on consumer purchasing decision process & also the sales margin (Osman, Talib, Sanusi, Shiang-Yen, & Alwi, 2012).

2.1.8. Quality of Brand

The product quality can only be checked by comparing it with other competitive brand product. At the time of pre-purchasing the consumer checked the product & compare it with another same product & make decision on the base of the results which product is better or not. The product quality has great impact on consumer behavior & their taste for selection of the product with high connection of product quality. The consumer behavior can change only on the basis of analyzing the quality of the product & services that is provided by the brand company (Taylor, Hunter, & Lindberg, 2007). We get the product quality information by external & internal resources. The external resources are directly transferring the message from company to consumer.

2.1.9. Consumer Buying Behavior

Consumer behavior is the process involved when individuals or groups of people select, purchase, use or dispose of products, services, ideas or experiences to satisfy their needs and desires (Solomon & Bamossy & Askegaard & Hogg 2010). There are different people with different roles who are involved in this process: the purchaser, whose function is to buy the product or service; the user who uses the actual product or service; and the influencer who provides information and recommendations for or against the product or service without buying or using it. (Solomon & Bamossy & Askegaard & Hogg 2010, pp.6 - 7.)

A number of different factors influence consumers' buying behavior or purchase process, such as cultural, social, personal, and psychological factors. The consumer's choice results from the complex interplay of these factors. Although the marketer cannot influence many of these factors, they can be useful in identifying interested buyers and in shaping products and appeals to serve their needs better (Kotler et al., 2005). Furthermore, though marketers cannot control some of these factors, the factors must be taken into consideration in order to reach target consumers effectively (Kotler, 2002).

2.1.10. Model of Consumer Behavior

The consumer market is not only large it is also dynamic Etzel et al. (2006). Thus, buyer behavior within markets has to be understood before marketing strategies can be developed. However, constructing a standard model of consumer buyer behavior can be somewhat problematic. While the inputs and the outputs of decision-making can readily be identified and, to a certain extent, measured, the intangible element, which concerns buyer characteristics and choice determinants is often more elusive (McDonald and Christopher, 2003).

According to Kotler et al. (2005), often, consumers themselves do not know exactly what influence their purchase. The idea that the mind is a computer with storage compartments where brands or logos or recognizable packages are stored in clearly marked folders that can be accessed by cleverly written ads or commercials simply doesn't exist. Instead, the mind is a whirling, swirling, jumbled mass of neurons bouncing around, colliding and continuously creating new concepts and thoughts and relationships inside every single person's brain all over

the world. Therefore, the central question for marketers is; how do consumers respond to various marketing efforts the company might use?

Even though, predicting consumer buyer behavior may be an imprecise science, some simple models have been created to assist marketers in gaining a deeper understanding of consumers in order to acquire and retain their customers (McDonald and Christopher, 2003). At best consumer's characteristics and choice determinants can be explained by consumer's black box or stimulus-response model of buyer behavior.

Model of Buying Behavior shows that marketing and other stimuli enter the consumer's "black box" and produce certain responses. Marketers must figure out what is in the buyer's black box. Marketing stimuli consist of the four Ps: product, price, place, and promotion. Other stimuli include major forces and events in the buyer's environment: economic, technological, political, and cultural. All these inputs enter the buyer's black box, where they are turned into a set of buyer responses: product choice, brand choice, dealer choice, purchase timing and purchase (Kotler et al., 2005).

In making a purchase decision, consumers respond to the stimuli deployed by the selling company. The greater the company's knowledge is about the reactions these stimuli elicit, the greater the competitive advantage for that company (McDonald and Christopher, 2003). Moreover, a comparison of inputs and outputs raises questions about who buys and how they buy.

Thus, examining buyer characteristics and identifying the critical drivers of purchase decision will help marketers to frame their strategy in a manner that can result in a favorable customer response.

The theoretical foundation of the study is the stimulus response model that shows the interaction of marketing mix elements and decision making process of product user towards the final brand preferences (McDonald & Christopher, 2003).

2.2. Empirical Literature

Ranganatha (2005) conducted a study on consumer markets and buying behavior of car customers and found that most of the customers demanded efficient mileage in a car. He further suggested that Hyundai Cars should be designed in such a way that the actual fuel efficiency obtained is the same as that being promised. People have rated the pricing to be reasonable, but resale value of santro is very low as compared to other brands. Dhanalakshmi(2007) undertook “A study on consumer perception and brand preference towards small cars in Erode district”, stated that the new players who are capable of attracting customers by offering lower price and the established car companies have to redefine their relationship with the dealers. Kaushik & Kaushik (2008) in their article “Buying behavior of passenger cars A study in south west Haryana”, stated that most of the respondents in Haryana were aware of many popular brands. The car’s buyer believes that the merchandise name and fabrication of the merit, in relation to the use of the benefits is related to the introduction.

Peeru Mohammed . H(1988) in his study,” The passenger car industry of India: a study of market condition and brand selection” concluded that the brand selection is more influenced by product quality and market related character than personal character, and also pointed out the government support is very poor in the initial stage for the manufacturer.

Philip Kotler (1990) in the article : Record share of auto sales” noted that customers view the brand based on superior styling, reliability and durability. He suggests that fair value and quality, play vital role in auto sales. Finally he concluded that many customers are firmly conceived that better quality vehicles are better all-around than domestic automobiles. Muruganandam (1997) in his study “A consumer brand preference for motor cars in coimbatore city” stated that the factors that influences the consumers in the performance of car were price and design and after sales services provided by the dealer.

Keerthi. N (2000) in her study “ The impact of Television advertisement on consumer in buying small cars”, stated that the consumer opinion towards necessary modification in the advertisement of the products influenced the consumers to purchase the car. It was also found that the advertisement must be made more attractive.

Dr. K. Chidambaram, Dr. A Soundararajan, and Mr. Alfredmino (2004) undertook a study on “Brand preference of Passenger cars A study with special reference to Coimbatore city in Tamil Nadu”, They said that the customers gave more importance to fuel efficiency than to other factors. They believe that the brand name would say something about products, quality, utility, technology and so on. The consumers preferred passenger cars which offer high fuel efficiency, good quality, technology, durability and reasonable price.

Dr. P. Natarajan and U. Thiripunasundari (2010) this study focuses on the consumer preference of global brands Vs. local brands in the study of car industry. The findings of the study advised that the consumers who possessed their car brand due to factors such as global presence, worldwide reputation and the quality of being imported.

The owners of passenger cars in the major cities of the state of Punjab and the Union Territory of Chandigarh perceive that safety and comfort are the most important features of the passenger car followed by luxuriousness (Mandeep and Sandhu, 2006). The speed, comfort and safety are the most significant factors which influence the purchase of Sedan car by the customers in the US market (Chen Lihua, 2007). The country of origin, brand name, lower price, and distributor’s reputation completely has a significant impact on the sale of passenger cars (Brown et.al, 1987). The passenger car owners in Coimbatore City give more importance to fuel efficiency than other factors and they prefer to purchase the passenger cars which offer high fuel efficiency, good quality, technology, durability and reasonable price (Chidambaram and Alfred, 2007). Safety, value for money, and riding comfort are the most important factors that influence the purchasing decision of the Chinese consumers towards passenger cars (Dongyan and Xuan, 2008).

The name of the company, durability, driving comfort, brand popularity, spare parts availability, travel convenience and overall look are the major factors that led the customers to prefer Maruti product to others (Purohit, 2009). The factors like global presence, worldwide reputation and quality have played a pivotal role in the decision-making of customers in Puducherry City towards preference of local and global brands.

The factors like sources of information need for fuel economy and necessity, cost and durability, warranty and prestige, comfort, and value are the motivating factors for the purchase intention of car owners in Vellore District of Tamilnadu (Akbar and Ashok, 2012). The price of the car, advanced technology, market re-sale value of the brand and model, security features, safety

features and driving comfort were the prominent factors which influenced the consumers' purchasing behavior of passenger cars in the State of Kerala (Balakrishnan and Jagathy, 2012). The product reliability, monetary factor, trendy appeal, frequency of non-price promotions offered, trustworthiness and customer feeling or association towards brand are the most dominant factors influencing customers' brand preference towards SUVs and MUVs (Prasanna Mohan Raj et. al, 2013).

Houston (2008) conclude that, marketing mix elements have a much bigger effect on customers' brand preference than the inclusive value which reflects model level prices, product attributes, and the length of the brand's product line.

Cengiz, E., & Yayla, H. E. (2007) stated that there is a strong and statistically significant relationship between overall marketing mix and overall customer brand preference and a positive relationship between overall service quality and overall customer preference.

The 4Ps and Brand Preference

1. Product and Brand Preference

Developing a product or service involves defining the benefits that it will offer. These benefits are communicated and delivered by product attributes such as quality, features, and style and design. Some marketers believe that the design and style of a car brand are actually more influential than advertising in influencing consumers, as they yield a more direct impact on how they perceive and experience the product. According to Uggla (2004), attributes such as quality are an integral part of brand identity. Product quality encompasses the features of a product or service; that characteristics bears on its ability to satisfy stated or implied needs. In other words, product quality is defined as "fitness for use" or "conformance to requirement" from the consumer's expected standards of the brand (Russell and Taylor, 2006). A product's design and style are favored by all consumers (Kuksov, 2004). This makes it an extremely powerful and unique tool in the modern marketing environment. Consumers are familiar with the flamboyant design of the Hummer Jeep, the uniqueness of the Jaguar, the mechanical accuracy of Mercedes and BMW among others.

2. Price and Brand Preference

Empirical evidence provided by Nowlis and Simonson (2000) explains that price affects consumers' preference of brands. Moreover, price can be used as a reason for brand preference in two ways; either by going for the lowest price in order to escape financial risk or the highest price in order to achieve product quality McDonald and Sharp(2000). Cadogan & Foster (2000) argued that price is probably the most important consideration for the average consumer. Sometimes customer knows the brand name well but do not agree to the product price because other brand products are available in market with lower price. However, in some instances, high price, can in fact, positively influence alternative evaluation by leading consumers to attribute higher quality to a brand that carries a higher price tag (Jay et.al, 2003).

3. Promotion and Brand Preference

In market-based economies, consumers have learned to rely on advertising and other forms of promotion for information they can use in making purchase decisions (Belch and Belch, 2003). Advertising typically provides a reason to buy (Keller, 2004). According to Aynawale, Alimi and Ayanbimipe (2005), advertising helps in projecting product quality and value before the consumers. Hence, it has a major influence on consumers' brand preference.

Instilling brand preference is the ultimate objective of a company's marketing and promotion efforts. This normally begins with developing a brand image for a business or product over time. With a variety of message objectives and strategies, a company can make potential customers perceive that its brand can offer the best value.

One of the most critical and basic long-term objectives of marketing is to implement promotional techniques to create a particular reputation that resonates with target customers. Lexus for example; has developed itself as a luxury and status car brand for people with upper-middle to upper class incomes.

Regardless of the image, consumers prefer to purchase products that offer a clear value proposition as opposed to ones with uncertainty or mixed messages.

4. Place and Brand Preference

The capability of making a brand convenient to target customers is vital for influencing customers brand preference. Lin and Chon asserts that convenience of a brand has a significant impact on consumers brand preference. The car brand must be available where customers shop or within a reasonable distance for it to be considered within the choice set (Schiffman and Kanuk, 2009; Van Auken, 2003). Certainly, distribution channels and location are important to brand accessibility, but so also are hours of operation, waiting times, product availability and process simplicity. Within the context of consumer decision making, especially when evaluating potential alternative brands during the pre-purchase stages, the evoked set refers to the specific brands(or models) a consumer considers when making a purchase within a specific product category (Lin and Chang, 2003). Regardless of the total number of brands in a product category, a consumer's evoked set tends to be quite small on average, often consisting of only three to five brands based on their accessibility and convenience to the consumer (Schiffman and Kanuk, 2009). In a study by Emmelheinz et al. (1991), it was found that a substantial amount of consumers (32 percent) switched brands due to out-of-stock situations. A similar study conducted by Kim (2008) also reported 21 percent of consumers behaving in a like manner. For several automobile buyers, accessibility may not only be limited to the car but also the availability of showrooms and spare parts. Therefore, Like other areas of business, marketing channels require careful administration, as superior channel management policies and strategies help a firm attain a differential advantage but concomitantly are difficult to duplicate (Ghemawat ,1986).

2.3. Conceptual Framework of the study

Consumer decision making varies with the type of buying decision. Complex decisions usually involve more buying participants and more buyer deliberation (Kotler et al., 2005). Thus, depending on the number of individuals involved and the extent to which they are actively engaged in the purchase their decision might vary. According to DeChernatory and McDonald (2003), the stages in the buying process, when consumers seek information about brands and the extent of the information search, are influenced by an array of factors. However, two factors are particularly useful in explaining how consumers decide. One is the extent of their involvement in

the brand purchase and their perceptions of any differences between competing brands. As per McDonald and Christopher (2003), involvement is a term used to describe how personally meaningful the purchase is to the consumer. When the degree of consumer involvement is combined with knowledge of whether consumers perceive many or few differences between brands, it becomes possible to identify distinctive types of buying behavior (McDonald and Christopher, 2003).

The stimulus response model that show the interaction of marketing mix elements and decision making process of product user towards the final brand preferences will be considered as a framework for this study. In making a preference decision, consumers respond to the stimuli developed by the selling company. The greater the company's knowledge is about the reactions these stimuli elicit, the greater the competitive advantage for that company (McDonald & Christopher, 2003).

Independent Variables

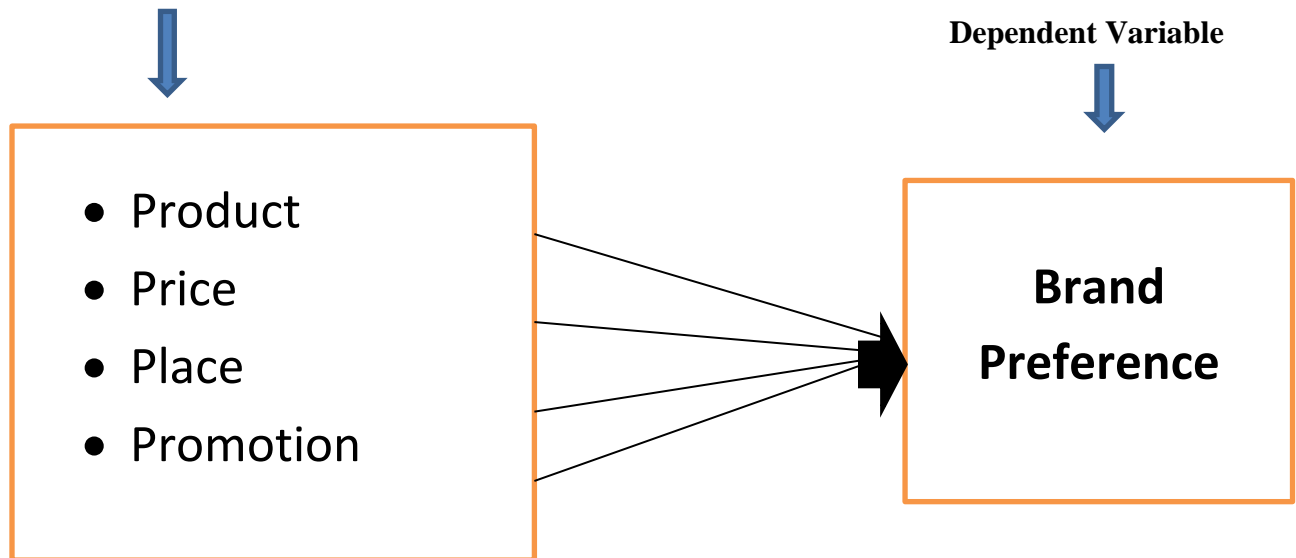


Figure 1: Conceptual Framework

Source: McDonald and Christopher (2003)

2.4. Research Hypothesis

H1: Product has a positive and significant influence on customers' passenger car brand preference.

H2: Price has a positive and significant influence on customers' passenger car brand preference.

H3: Place (Availability) has a positive and significant effect on customers' passenger car brand preference.

H4: Promotion has a positive and significant effect on customers' passenger car brand preference.

CHAPTER THREE

3. RESEARCH METHODOLOGY

Research methodology is the methods and procedures of research work that should be followed by a researcher during the course of the research work. Research methodology consists of types of research design, determination of population and sample, sampling process, determination of source of data, types of data, data collection procedures and analytical tools to be used to analyze the collected data.

This chapter therefore discusses the research methodology which is used for conducting this research. The research approach, research design, population and sample of the study, the type of data to be collected and sources to be used, methods of data analysis, validity and reliability issues and finally ethical considerations are addressed here in this chapter.

3.1. Research Approach

Quantitative research approach is implemented which helps to get better understanding of research problems and research questions. According to Creswell (2009), quantitative approach is appropriate to use for studies that show relationship between variables. Quantitative research approach examines the relationship between variables and tests the hypothesis. It places greater emphasis on the numerical data and statistical test to achieve conclusion that can be generalized (Saunders, 2012). In comparison of relative costs with other methods also, the quantitative research approach is viewed as a proper and controllable tool to test this context.

3.2. Research Design

In order to achieve the objectives, descriptive and explanatory research designs were applied. Descriptive study stems from prior knowledge and is concerned with describing a specific phenomenon (Saunders, 2012). Descriptive research design enables to determine the independent variables' effect on the dependent variable. Descriptive research design provides quantitative or numeric description of trends, attitudes and perceptions of population by studying the sample of that population, Kothari, (2008); Best & Khan, (2003).

According to Riaz (2011) explanatory research is conducted in order to identify the extent and nature of cause-and-effect relationships. Explanatory research can be conducted in order to assess impacts of specific changes on independent variables that change the dependent variable. Explanatory studies focus on an analysis of a situation or a specific problem to explain the patterns of relationships between variables. Therefore, the study will use explanatory research design together with descriptive research design to investigate the effect of the independent variables; product, price, place and promotion, on the dependent variable which is brand preference of passenger car customers.

3.3. Target Population

3.3.1. Target Population- Sample size and Sampling technique

The target population of the study constituted customers of MOENCO, Nyala Motors, Ries Engineering and Belayab Motors in Addis Ababa who own or already decided and/or on the verge to prefer the brands Toyota, Nissan, Ford and Kia passenger vehicles, respectively. Even though there are plenty of grey markets who sell these brands, in order to achieve the research's objective, the study has limited its target population to these exclusive importers (dealers) and assemblers- (Kia vehicles are assembled here in Ethiopia by Belyab Motors). In addition, the companies selected are highly competitive one another with regard to the automotive industry in Ethiopia. Therefore, the researcher believes that results gained from the target population would add up to the marketing strategies of the companies and paves the way for areas of improvement to gain a competitive advantage.

3.3.2. Sample Size

Sample data was collected from the aforementioned four companies' customers who have visited the dealers' showrooms and premises to purchase passenger vehicles and/ or gain aftersales services within the data collection period; which was from April 30-May 20, 2022. Equal number of questionnaire was distributed to each dealer's customers and administered personally through the help of representatives from the sample organizations. Hence, quantitative data was utilized to minimize the subjective judgments and ensure the accuracy of the research.

To determine the sample size of the study **Cochran's formula** was used.

$$\text{Sample Size} = \frac{Z^2 \times p \times (1-p)}{d^2}$$

Where;

Z^2 = 95% of confidence level and equals 1.96

P = expected prevalence which equals 50%

d^2 = is the level of precision or sampling error and equals 5% (0.05)

$$\text{Sample Size} = \frac{1.96^2 \times 0.5 \times (1-0.5)}{0.05^2} = 384$$

Therefore, the sample size of the study was 384 individuals. However, after data collection the sample size was reduced to 323 due to missing data and incomplete responses.

3.3.3. Sampling Technique

Convenience sampling technique which is a type of non-probability sampling method is applied. Convenience sampling is where the respondents are selected because they happen to be at the right place and at the right time. It is used to obtain a sample of element because it is impossible to estimate or calculate the probability of the selection for each element in the population. Convenience samples are sometimes referred to as ‘accidental samples’ for the reason that elements may be drawn into the sample simply because they just happen to be situated, spatially or administratively, near to where the researcher is conducting the data collection.

3.4. Data Type and Source

Both Primary and secondary data types were applied to gather information. The primary data source was collected through self-administered questionnaire from the dealers’ showroom and premises visitors who seek to purchase passenger vehicles or gain aftersales services. The secondary data, on the other hand, are those which have already been collected by someone else and which have already been passed through the statistical process. Hence, Secondary data was extracted from journal articles, existing researches on the area and other relevant publications. As a general rule stated by Malhotra(2005), “examination of available secondary data is a prerequisite to the collection of primary data.

3.5. Data Collection Instrument

According to Fisher (2010), if a researcher wants to quantify the research material, then it is best to use a survey approach. And for a high response rate and low cost as a student researcher, the survey method is found to be economical and efficient one. Hence, survey was performed using self-administered close-ended questionnaire. The survey instrument is based on Likert scale in which the respondent will be asked how strongly agree or disagree with a series of statements, usually on a five point rating scale (Saunders et al., 2009). The question was further translated in to Amharic to better gain a quality primary data from passenger vehicle owners and or potential customers of the brands Toyota, Nissan, Ford and Kia.

3.6. Data Analyzing Technique

The collected data was analyzed and interpreted by using quantitative techniques. The data found from the questionnaire is analyzed using SPSS (Statistical Package for the Social Sciences) software. In the study descriptive the statistical tools Mean and Standard Deviation are applied.

3.7. Reliability and Validity

To assess the internal consistency of variables in the research, it is very common to check reliability using Cronbach's alpha reliability test technique. Thus, the study used Cronbach's alpha to assess the internal consistency of variables in the research instrument. Cronbach's Alpha coefficient of 0.7 or higher is considered acceptable and adequate to determine reliability in most social science research studies.

Validity is defined as the extent to which a measurement represents characteristics that exist in the phenomenon under investigation (Malhotra & Birks 2007). The scales that are used for this study are believed to be valid scales adopted from different previous researches.

The Marketing Mix elements included in this study are four (Product, Price, Place & Promotion). They are measured based on the scale developed by Nareth (2012) and Gikonyo (2020). Brand Preference is measured based on the scale developed by Indumathi, N1. (2016)

Questionnaire is distributed for 30 subjects as a pilot test, out of which 27 was collected. Based on the response, the research questionnaire was checked for item consistency based on

Cronbach's alpha test. Hair et al (2010) asserted that the threshold for reliability analysis is greater than or equal to 0.7. In this case, the results of the pilot test indicated that the coefficient alpha of each scale was higher than the minimum requirement of reliability analysis.

Serial No.	Variables	No. of Items	Cronbach's α value
1	Product	5	0.980
2	Price	5	0.991
3	Place	4	0.846
4	Promotion	5	0.871
5	Brand Preference	3	0.808

Table 1 Table 3.1. Cronbach's Apha Reliability pre test

3.8. Ethical Considerations

In the study all participants' responses and identities of respondents will remain confidential. Moreover, the privacy of all respondents will be respected in reporting of this research. In this study, for each participant the purpose of the research will be explained before the research questionnaires. Moreover, to the best of my level I will be abided by the rules and regulations of the University and conduct the study on the basis of objective judgment.

UNIT FOUR

4. DATA PRESENTATION, ANALYSIS AND INTERPRETATION

The study was conducted with the aim of analyzing the effect of Marketing Mix Elements(4Ps) on Customers passenger car brand preference; the case of four selected car dealers in Addis Ababa; namely; MOENCO, Nyala Motors, Ries Engineering and Belayab Motors. To this effect this section presents results of the data collected through close ended questionnaire. The results are presented in tables and graphs. Descriptive and explanatory analysis is conducted and the model used for the data analysis was tested based on multiple linear regression model assumptions. In order to make the collected data suitable for the analysis, all questionnaires were screened to be complete. All unreturned questionnaire and returned incomplete questionnaires were considered as errors and removed from the survey data. Out of the 384 distributed 323 were found to be usable and used for final analysis. Thus, 84.1% response rate was obtained.

4.1 Descriptive Statistics

4.1.1 Demographic Information of the Respondents

The first part of the questionnaire consists of the general profile of respondents. Here major characteristics like Age, Gender, Income, occupation and educational level is encompassed. The table below shows the summarized demographic characteristics of the respondents.

Table 2 Table 4. 2: General Information about the Respondents

		Frequency	Percent
Age	18-30	49	15.2
	31-45	159	49.2
	46-60	93	28.8
	61 and above	22	6.8
	Total	323	100.0
	Gender	Male	185
Female		138	42.7
Total		323	100.0
Income	Below 10,000	22	6.8
	10,000-30,000	94	29.1
	31,000-50,000	118	36.5
	51,000-60,000	25	7.7
	Above 60,000	64	19.8
	Total	323	100.0
Occupation	Self Employed	87	26.9
	NGO & International Co.	56	17.3
	Pensioner	18	5.6
	Private	137	42.4
	Government Organization	25	7.7
	Total	323	100.0
Education	Primary	1	.3
	High School Graduate	18	5.6
	Diploma	50	15.5
	Bachelor's Degree	163	50.5
	Master's Degree	84	26.0
	PHD	7	2.2
	Total	323	100.0

Source: Survey Result, SPSS (2022)

From the total of the respondents the age group 31-45 which accounts for 49.2% of the total study sample constitutes the largest percentage followed by age groups from 46-60 constituting 28.8%. The third range has fallen between 18-30 years of age. Lastly, the age group above 61 is found to comprise the least percentage of 6.8%.

Male respondents have constituted the highest percentage (57.3%) of respondents while the female comprised 42.7% of the respondents.

With regard to income, the study shows that 36.5% of the respondents earn a monthly income of the range between 31,000-50,000 ETB. The second largest monthly income falls within the range of 10,000-30,000 ETB comprising 29.1% of the sample. 19.8% of the respondents earn monthly income above 60,000 ETB. Respondents who earn a monthly income between 51,000-60,000 ETB constitute 7.7% of the sample. The least monthly income is found to be below 10,000 ETB with a percentage of 6.8%.

Occupation was also one of the demographic characteristics studied. Hence, 42.4% of the respondents are found to be private company employees; whereas, self-employed respondents comprised 26.9%. Among the total sample respondents, NGO & International Co. employees has accounted for 17.3%. Respondent from Government institute were 7.7%. The least respondent were found to be pensioners with a percentage of 5.6%.

The last demographic characteristics included in this study were Educational level of respondents. Accordingly, majority of the respondents comprising 50.5% are bachelor degree holders, followed by 26.0% of Master's degree holders. Diploma holders have constituted 15.5% of the sample respondents. 2.2% of the respondents were found to be PHD holders. The least response was found from high school and primary educational level respondents with a percentage of 5.6% and 0.3% respectively.

4.2 Testing of the Research Instruments

Before undertaking the analysis to examine the effect of the independent variables on the dependent variable, the researcher undertook the validity and reliability test to assure the research instruments was valid besides reliable.

4.2.1 Validity and Reliability Test

Saunders et. al., (2003), also defines validity as the extent to which data collection method or methods accurately measure what they were intended to measure. Which means it is to check

that the questions evaluate what it is planned to measures. reliability refers to consistency. For a questionnaire to be valid, it must be reliable. Saunders et. al., (2009). Reliability is a means that a measure or a questionnaire should consistently reflect the construct that it is measuring, Field (2009). A reliability test has been carried out on the questionnaire using the Cronbach’s alpha test. It is a coefficient of reliability used to measure its consistency of the scale; it represents as a number between 0 and 1. Hair et al (2010) asserted that the threshold for reliability analysis is greater than or equal to 0.7. The Cronbach’s alpha result of each item used in the questionnaire is shown in the following Table.

Table 3 Table 4.3: Cronbach’s Alpha Test for Reliability

Reliability Statistics		
Variables	Cronbach’s Alpha (α)	No. of Items
Product	.776	5
Price	.792	5
Place	.992	4
Promotion	.928	5
Brand Preference	.713	3

As it is shown on, the above table the alpha coefficients of dependent and independent variables was conducted. As depicted in the table, the reliability coefficient for each variable was found to be more than 0.70. Hence, it can be concluded that all the items in the measurement instrument are internally consistent and are ready for the final analysis.

4.3 Descriptive Analysis of the Variables of the Study

Likert scale was used to measure the contribution of attributes for brand preference. On a five-point scale, respondents were asked to choose the number that best represented their point of view. The degree of agreement towards each attributes was set from 1 to 5; where 5 is the highest/strong agreement and 1 is strong disagreement. According to (Gelman, 2007), the mean scored value within the range of 1.00 to 1.80 is considered as strongly disagree, 1.81 to 2.80 disagree, 2.81 to 3.40 moderate, 3.41 to 4.20 agree, and 4.21 to 5.00 means strongly agree. The results of the analyses are presented as follows.

4.3.1. Descriptive Statistics for Product

The researcher utilized mean and standard deviation to evaluate the perception of the respondents regarding the marketing mix elements' effect on their passenger car preference. Table 4.3. Shows respondents perception regarding the first element i.e. product among the Marketing Mix elements. The mean scores have been computed for all the five attributes of Product. The results are presented in the table.

Table 4 Table 4.4: Descriptive Statistics of product

Descriptive Statistics

	N	Mean	Std. Deviation
I buy a car that possesses a high quality	323	4.14	1.481
I choose a car that is safer	323	3.43	1.772
I buy a car that is durable	323	4.10	1.642
I prefer attractive and well-designed car	323	3.89	1.765
I buy a car with a unique feature	323	3.58	1.729
PRO	323	3.8260	1.22137
Valid N (list wise)	323		

(Source: Own Survey, 2022)

The table indicates that all elements of the product dimension had been taken into account when respondents purchase passenger cars. But the amount of mean they scored varies across the items. Based on the result, the most significant consideration among Product is the quality of the brand by scoring 4.14 mean value. The second highest mean is scored by the durability of the brand with a value of 4.10. Attractiveness and design had a mean score of 3.89. A unique feature augmented in the brand is found to affect the respondents brand preference with a mean score of 3.58. The least mean was scored by the brands safety attribute with a mean value of 3.43. The

average mean is 3.826. This indicates product attribute has a direct relation with customers' passenger car brand preference.

4.3.2. Descriptive Statistics for Price

Under the Price dimension, there are five items as indicated in table 4.4. The result indicates that low priced passenger cars have a significant influence on customers brand preference with a mean score of 4.27.

Table 5 Table 4.5. Descriptive Statistics of Price

Descriptive Statistics

	N	Mean	Std. Deviation
I prefer a car which is low priced	323	4.27	1.427
I buy a car which is highly priced	323	2.90	1.760
I prefer a car which is reasonably priced	323	3.92	1.641
I buy a car which is believed to have a good resale value	323	3.96	1.631
I buy a car without considering the price	323	2.98	1.747
PRC	323	3.6068	1.21577
Valid N (list wise)	323		

(Source: Own Survey, 2022)

As the table indicates, the item highly priced passenger car has got the lowest mean score of 2.9 showing respondents' disagreement of preferring a highly priced car brand. The result again depicts the respondents' disagreement for the statement "I buy a car without considering the price" by scoring a mean value of 2.98. Good resale value is found to have a significant effect on

customers' passenger car brand preference by scoring a mean value of 3.96. The survey result also shows that reasonably priced passenger cars have significant effect on the respondents brand preference with a mean value of 3.92. Even though the aforementioned two statements reveal respondents disagreement, the average mean score which is 3.606 shows that Price generally has an effect on respondents' passenger car brand preference.

4.3.3. Descriptive Statistics for Place

As indicated in the table, Place dimension is represented by four items. The table shows that all the items have almost the same mean score value.

Table 6 Table 4.6: Descriptive Statistics of place

Descriptive Statistics			
	N	Mean	Std. Deviation
I prefer a car which is always available in stock.	323	3.72	1.840
I prefer a car which has showrooms all over the country	323	3.74	1.837
I prefer a car with maintenance and repair services readily available	323	3.76	1.846
I prefer a car which has readily available spare parts.	323	3.65	1.878
PLA	323	3.7144	1.82947
Valid N (list wise)	323		

(Source: Own Survey, 2022)

Availability of maintenance and repair services has shown the highest mean score value of 3.76, followed by a mean score value of 3.74 for showroom availability. Stock availability is also seen to have effect on respondents' passenger car brand preference with a mean value of 3.72. Relatively, the statement about spare part availability scored the lowest mean value of 3.65, but still showing a significant effect. As indicated in the table, the average mean value for the Place dimension is 3.714 showing that respondents consider the stated factors upon preferring a passenger car brand.

4.3.4. Descriptive Statistics for Promotion

As table 4.6 depicts, among the list of items comprising of Promotion, the mean score for the item “Presence of rich and well-designed product information on a dealer’s website positively influences my preference of the brand.” has relatively high mean score of value of (3.68) whilst the least mean score (2.99) goes to the item “I buy a car after an advertisement is run in a media”. Family and friends recommendation is seen to have a significant effect with a mean value of 3.61. As it is stipulated in the table, social media promotions also found to have an effect on brand preference with a mean score of 3.51. The survey also shows that the choice of advertising media influences respondents’ car brand preference by scoring a mean value of 3.43. The average mean of Promotion is found to be 3.444. This indicates that all elements of Promotion drive passenger car owners to prefer the car they are driving or on the verge to purchase.

Table 7 Table 4.7: Descriptive Statistics of Promotion

Descriptive Statistics

	N	Mean	Std. Deviation
The choice of advertising media influences my car brand preference	323	3.43	1.354
I prefer a car that my friends/family have recommended.	323	3.61	1.732
I buy a car after an advertisement is run in a media.	323	2.99	1.706
Presence of rich and well-designed product information on a dealer’s website positively influences my preference of the brand.	323	3.68	1.731
Frequent social media promotions affect my car brand preference.	323	3.51	1.738
PRM	323	3.4443	1.46102
Valid N (list wise)	323		

(Source: Own Survey, 2022)

4.3.5. Descriptive Statistics for Brand Preference

The dependent variable Brand preference is represented by 3 statements. As it is depicted in the table, all the responses fall in the agree range which implies that the respondents brand preference is congruent with their needs. In addition, the mean score also shows they recommend the dealer of their brand to relatives. The average mean result also shows the respondents willingness to prefer the brand in the future too.

Table 8 Table 4.8: Descriptive Statistics of Brand Preference

Descriptive Statistics			
	N	Mean	Std. Deviation
'Brand X' is congruent with my needs	323	3.48	1.488
'Brand X' is my preference if I have to purchase a passenger car	323	3.88	1.441
I recommend the dealer of 'Brand X' to relatives	323	3.54	1.069
BP	323	3.6326	1.07253
Valid N (list wise)	323		

(Source: Own Survey, 2022)

The above table depicts that the highest mean value is scored for the statement “Brand X’ is my preference if I have to purchase a passenger car” followed by the positive word of mouth or recommendation of the brand’s dealer to relatives with a mean value of 3.54. The result also reveals that the brand the respondents have owned is congruent with their need with a mean score of 3.48.

4.4 Correlation Analysis

A correlation refers to a quantifiable relationship between two variables, and the statistic that provides an index of that relationship is called a correlation coefficient r , which is a measure of the relationship between two interval or ratio variables. It is a very useful means to summarize the relationship between two variables with a single number that falls between -1 and +1 (Field,

2005). As per the guideline suggested by Field (2005), the strength of relationship 0.1 to .29 shows weak relationship; 0.3 to 0.49 is moderate; >0.5 shows the strong relation between the two variables. Hence, in this study correlation analysis was used to examine the relationship between dependent and independent variables.

Table 9 Table 4.9: Pearson Correlation Matrix

		Correlations				
		PRO	PRC	PLA	PRM	BP
PRO	Pearson Correlation	1	.406**	.428**	.353**	.683**
	Sig. (2-tailed)		.000	.000	.000	.000
	N	323	323	323	323	323
PRC	Pearson Correlation	.406**	1	.382**	.314**	.482**
	Sig. (2-tailed)	.000		.000	.000	.000
	N	323	323	323	323	323
PLA	Pearson Correlation	.428**	.382**	1	.171**	.475**
	Sig. (2-tailed)	.000	.000		.002	.000
	N	323	323	323	323	323
PRM	Pearson Correlation	.353**	.314**	.171**	1	.537**
	Sig. (2-tailed)	.000	.000	.002		.000
	N	323	323	323	323	323
BP	Pearson Correlation	.683**	.482**	.475**	.537**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	323	323	323	323	323

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

The results on Table 4.9 showed that all marketing mix elements has positive relationship with Brand Preference. Product was found to be significantly strong positive relationship ($r=.683$, $p<0.05$) and promotion ($r=.537$, $p<0.05$) with brand preference. Whereas, there is positive and moderate relationship on price ($r=.482$, $p<0.05$) and place ($r=.475$, $p<0.05$) with Brand Preference. Overall, from the result one can conclude that all marketing mix elements had positive correlation with Brand Preference.

4.5. The Assumptions for Testing Regression Analysis

Multiple regression is an analysis that assesses whether one or more predictive variables explain the dependent (criterion) variable. The regression assumptions are Multicollinearity, Normality and Linearity.

4.5.1 Multicollinearity

Multicollinearity refers to the situation in which the independent variables are highly correlated among each other. When the independent variables are multicollinear, 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 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. Tolerance is an indicator of how much of the variability of the specified independent variable is not explained by the other independent variables in the model.

Table 10 Table 4.10: Collinearity Diagnosis

Model		Coefficients ^a	
		Tolerance	VIF
1	PRO	.700	1.429
	PRC	.750	1.333
	PLA	.764	1.308
	PRM	.840	1.190

a. Dependent Variable: BP

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.

4.5.2 Test of Normality

Normality test examines whether the data is normally distributed in normal distribution curve or not. There are two ways of testing the normality, by graphical method and statistical method. A common rule of thumb test for normality is to run descriptive statistics to get skewness and kurtosis, then use the criteria that kurtosis should be within the mean +2 to -2 range when the data are normally distributed (Field, 2005).

Table 11 Table 4.11: Normality of Distribution Using Descriptive Statistics (Skewness and Kurtosis)

	Descriptive Statistics				
	N	Skewness		Kurtosis	
	Statistic	Statistic	Std. Error	Statistic	Std. Error
PRO	323	-.784	.136	-.368	.271
PRC	323	-.554	.136	-.603	.271
PLA	323	-.787	.136	-1.347	.271
PRM	323	-.376	.136	-1.491	.271
BP	323	-.493	.136	.013	.271
Valid N (list wise)	323				

As it can be seen in table 4.10 all the absolute values of skewness and the kurtosis are between -2 and +2.

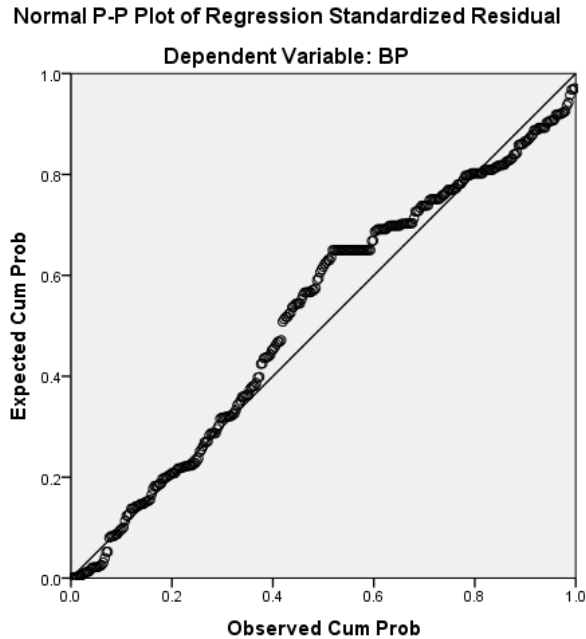


Figure 2: Test of Linearity using Normal Point Plot on the dependent variable, Brand Preference (BP)

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

4.5.3 Homoscedasticity

The relationship between the dependent and independent variable represent the degree to which the change in the dependent variable is associated with the independent variable (Hair et al., 1998). In a simple sense, linear models predict values falling in a straight line by having a constant unit change (slope) of the dependent variable for a constant unit change of the independent variable (Hair et al., 1998). The linearity assumption can easily be checked using scatterplots or residual plots: plots of the residuals vs. either the predicted values of the dependent variable or against one of the independent variable(s).

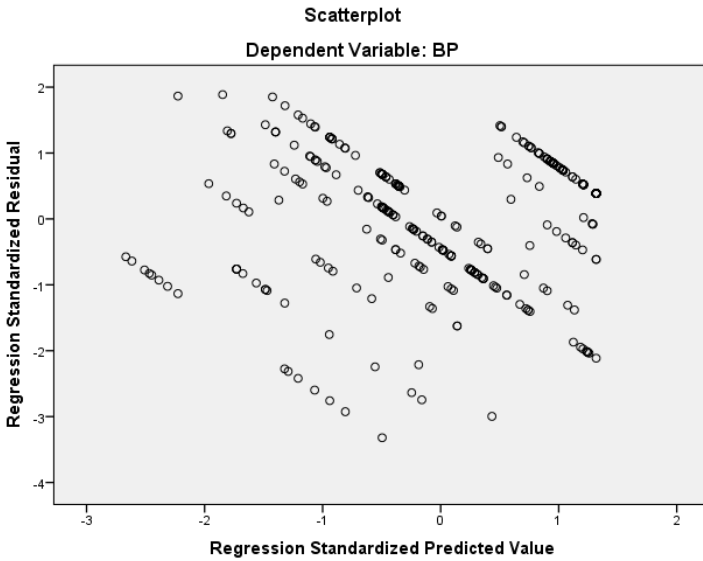


Figure 3: Frequency Distribution of Standardized Residuals

4.6 Multiple Linear Regression Analysis

Multiple regression estimates the coefficients of the linear equation when there is more than one independent variable that best predicts the value of the dependent variable Cooper, R. and Schindler, S. (2006). It is used to understand by how much each independent variable (Product, Price, Place and Promotion) explain the dependent variables, Brand Preference.

Table 12 Table 4.12: Model Summary

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.786 ^a	.618	.613	.66697

a. Predictors: (Constant), PRM, PLA, PRC, PRO

b. Dependent Variable: BP

The model summary table shows an R-Square value is 0.618 which means that 61.8% of the Brand Preference was explained by the variation of the four variables. Namely (Product, Price, Place and Promotion). In other words, this means that 38.2% of the dependent variable i.e. Brand Preference cannot be explained by these the four variables and that there must be other variables that have an influence on the outcome.

Table 13 Table 4.13: ANOVA

ANOVA^a

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	228.940	4	57.235	128.660	.000 ^b
	Residual	141.464	318	.445		
	Total	370.403	322			

a. Dependent Variable: BP

b. Predictors: (Constant), PRM, PLA, PRC, PRO

The ANOVA table shows the overall significance/acceptability of the model from a statistical perspective (Field, A. 2005). The above ANOVA table shows the acceptability of the model. F= 128.660 and the p-value is less < 0.05 i.e. 0.000 indicating the model’s appropriateness for the study. This implies that Marketing Mix significantly affects Brand Preference.

Table 4.14: The Regression Coefficient

The regression coefficient explains the average amount of change in the dependent variable that is caused by a unit change in the independent variable.

Table 14 Table 4.14: Summary of Regression Coefficient on Brand Preference

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.543	.146		3.733	.000
	PRO	.387	.036	.441	10.649	.000
	PRC	.121	.035	.137	3.425	.001
	PLA	.106	.023	.181	4.573	.000
	PRM	.225	.028	.307	8.119	.000

a. Dependent Variable: BP

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + e$$

Where: Y = Brand Preference; X₁ = product; X₂ = Price; X₃ = Place; X₄ = Promotion; e = error term; β₀ = constant, term; β_{1,2,3,4} = coefficient terms.

The regression model of this study can now be properly written in an equation as follows:

$$\text{Brand Preference} = .543 + 0.387\text{PRO} + 0.121\text{PRC} + 0.106\text{PLA} + 0.225\text{PRM}$$

The regression model from the above table shows that keeping other variables constant, a one unit increase in Product will bring a 0.387 unit increase in Brand Preference, a one unit increase in Price will bring a 0.121 unit increase in Brand Preference, a one unit increase in Place will bring a 0.106 unit increase in Brand Preference and a one unit increase in Promotion will bring 0.225 unit increase in Brand Preference. Among the predictors, product took relatively the highest value ($\beta = .387$) followed by promotion ($\beta = .225$), price ($\beta = .121$) and place ($\beta = .106$)

Since, coefficients of the predictor variables are statistically significant at less than five percent; alternative hypotheses related with Product, Price, Place and Promotion are accepted.

In general as the table clearly shows, among the four predictors, multiple linear regressions (Beta coefficients) analysis revealed that Product is the first most significant variable for customers brand preference decision on the selected brands followed by Promotion, Price and Place elements ranking 2nd, 3rd and 4th respectively.

4.7 Discussion of the Result

This study was aimed to analyze the Effect of Marketing Mix Elements on Passenger Car Brand Preference in the case of customers of MOENCO, Nyala Motors, Ries Engineering and Belayab Motors in Addis Ababa. Hence, this section tries to identify if the research objectives and hypotheses were achieved or not

Hypothesis 1: states that Product has a positive significant effect on customers' passenger car brand preference. As it can be seen from the multiple regression result, Product variable has a positive and significant relationship with customers' brand preference. The finding confirms results from previous studies (Uggla, 2004; Kuksov, 2004; Russell and Taylor, 2006) who found that a product's attributes are of great concern to customers when making purchases. For

automobile users, the core features of the car are important considerations in the choice of the car brand. The design, color and glaze, performance, and size all come into play in influencing consumer choice. Product quality encompasses the features and characteristics of a product or service that bears on its ability to satisfy stated or implied needs. In other words, product quality is defined as “fitness for use” or “conformance to requirement” from the consumer’s expected standards of the brand (Russell and Taylor, 2006). A product’s design and style are favored by all customers (Kuksov, 2004). This makes it an extremely powerful & unique tool in the modern marketing environment.

Hypothesis 2: states that Price has positive significant effect on customers’ passenger car brand preference. Here again the alternative hypothesis is accepted since the multiple regression analysis shows that price has an effect on customers passenger car Brand preference. Nowlis and Simonson (2000) empirically provide evidence that price affects customers’ choice of brands. Mcdonald and Sharp (2000) stated that price can be used as a reason for brand choice in two ways; either by going for the lowest price in order to escape financial risk or the highest price in order to achieve product quality.

Hypothesis 3: states that Place has a positive significant effect on customers’ passenger car brand preference. And the result of the regression analysis shows that Place has positive and significant effect on customers brand preference; therefore, the stated alternative hypothesis is accepted. According to a study conducted by Nareth, 2012 on Key drivers of automobile brand choice in Ghana, Place (accessibility) was a major factor which is considered by automobile customers when making car purchases. For most Ghanaian car buyers, not only must the car be available at the various dealer showrooms, but must also have locations where access to spare parts and maintenance services are achieved. Some earlier studies (Lin and Chang, 2003; Kim, 2008) have found the significant role played by accessibility as an antecedent to consumer convenience in brand choices. In a study by Emmelheinz et al. (1991), it was found that a substantial amount of consumers (32 percent) switched brands due to out-of-stock situations. A similar study conducted by Kim (2008) also reported 21 percent of consumers behaving in a like manner

Hypothesis 4: states that Promotion has a positive significant effect on customers’ passenger car brand preference. And the result of the regression analysis shows that Promotion has positive and

significant effect on customers brand preference; indicating, the stated alternative hypothesis being accepted. According to Amadi Christian & Ezekiel Maurice Sunday, Promotion tends to be highly informative and present the customer with a number of important product attributes or features that will lead to favorable attitudes and can be used as the basis for rational brand preference. People get information from advertisement through attractiveness it holds, the attention it creates and the awareness it keeps (Arens, 2002). Effective communication through advertisement leads the consumer toward purchasing the brand (Belch and Belch 2005).

In general, this indicates that each of the independent variables in the regression model is significantly affecting customers' passenger car brand preference of customers of the selected sample car dealers.

Table 15 Table 4.15: Summary of the Research Hypothesis Test Result

Alternate	Hypothesis	Result	Reason
H1	Product has positive and significant effect on Brand Preference	Accepted	$\beta=0.387, p<0.05$
H2	Price has positive and significant effect on Brand Preference	Accepted	$\beta=0.121, p<0.05$
H3	Place has positive and significant effect on Brand Preference	Accepted	$\beta=0.106, p<0.05$
H4	Promotion has positive and significant effect on Brand Preference	Accepted	$\beta=0.225, p<0.05$

CHAPTER FIVE

5 SUMMARY, CONCLUSION, AND RECOMMENDATION

5.1. Introduction

The last chapter of this study concentrates on the major findings of the study. Hence, based on the findings, conclusions and recommendations will be part of this chapter.

This study was conducted with an objective of Analyzing the Influence of Marketing Mix Elements (4Ps) on Passenger Car Brand Preference in the case of MOENCO, Nyala Motors, Ries Engineering and Belayab Motors Customers' in Addis Ababa. To address this objective the researcher has used the Product, Price, Place and Promotion Marketing Mix Elements.

5.2. Summary of Major Findings

As the analysis result shows, Product dimensions are found to have a significant effect on customers' car brand preference. Among the factors, product quality is given the highest consideration by customers followed by durability.

In General, Price is also seen to have an effect on customers brand preference. The finding reveals that customers are more leaned towards passenger cars that have low or reasonable prices than highly priced ones.

When it comes to the third Marketing Mix Element which is Place, the result shows that all the dimensions used to measure the element Place have found to have a significant effect on passenger car brand preference. To this effect, maintenance and repair services availability is found to be customers' 1st consideration followed by showroom availability.

The last variable of the study, which is tested for its effect on customers' passenger car brand preference was Promotion. As the result discloses, this element also has been found to have a positive significant effect in general. The analysis reveals that presence of well-designed and rich product information on a dealer's website has got a better consideration than advertisement.

In a lump sum, among the four Marketing mix elements Product is found to be the major element to have an influence on customers passenger car brand preference.

With regard to the correlation analysis made, although the correlation coefficients vary, it is found that all marketing mix elements have positive relationship with Brand Preference. Product was found to be significantly strong positive relationship ($r=.683$, $p<0.05$) and promotion ($r=.537$, $p<0.05$) with brand preference. Whereas, there is positive and moderate relationship on price ($r=.482$, $p<0.05$) and place ($r=.475$, $p<0.05$) with Brand Preference. Overall, from the result we can conclude that all marketing mix elements have positive correlation with Brand Preference.

5.3. Conclusion

The Marketing Mix is one of the modern concepts on which Marketing is based and it includes a group of elements that the organization can control and influence. The elements will affect the Marketing effectiveness of the organization and the success of the Marketing Mix design depends on the extent to which the organization knows the needs and desires of customers.

To the best of my knowledge, most of the studies around car brand preference are done overlooking the 4Ps as a specific determinant for customers passenger car brand preference; rather, other factors have been given due attention in conducting such research topics like the brand name, self-image, emotional connection and the like. Hence this research's findings are believed to contribute for organizations who are in the industry and specifically for Marketing professionals in considering these variables upon designing a sound Marketing strategy.

Based on the findings the researcher provides following conclusion.

- ✚ From the product element point of view, each of the factors applied to measure their effect on brand preference; namely Quality, Safety, durability, design and unique feature are found to have a significant effect on passengers car brand preference.
- ✚ The factors applied to measure Price's effect on customers brand preference like low and reasonable price, resale value are found to have positive effect whereas a passenger car which is highly priced is seen to be a disagreement factor for their brand preference. The result also revealed that customers do not prefer a car without considering its price.
- ✚ Place factors have also been found to be affecting customers brand preference. Each of them; availability of stock , showroom, maintenance and repair service and also spare part are among the considerations taken in to account upon preferring their brand.

- ✚ The last element used in this research to measure its effect on customers brand preference is that of Promotion. As the results indicates, the choice of advertising media, family/friends recommendation, well developed website and social media promotions are found to have positive effect on passenger car preference unlike that of running of an advertisements effect; which is found in the disagreement zone.

5.4. Recommendation

- ✚ From the above result, the researcher recommends that Product features should be given a high attention. Since car is believed to be a durable and high involvement product, customers spend most of their energy on looking at the features of a particular passenger car brand. They are more keen in being sure of whether the brand's feature is up to their specific need. Product is believed to be a problem solver for customers' needs. Hence, manufacturers should be more careful up on designing passenger cars and dig the hidden needs of potential customers and keep moving ahead of competition.
- ✚ Selling price should also be reasonable. As the finding reveals, customers are in disagreement with preferring what they perceive is a highly priced passenger car. Even though some brands are inevitably sold for a higher prices, sales people should do a lot of work in convincing about its worth of paying or its reasonability and influence customers prefer that specific brand.
- ✚ Dealers should also give a tremendous focus for availing their passenger car brands at customers' convenience; be it the brand itself or the spare part and maintenance availability. It is believed that most of Ethiopian customers buy a passenger car after making sure that its spare part and maintenance service is readily available. According to scholars also people tend to shift to an alternative brand if they confront with a 2 up to five incidents of stock outs.
Such scenarios may result in customers' lack of loyalty and bad word of mouth. Grey markets also might take advantage of such opportunities. Therefore, this element should be considered as one of the major marketing mix element that can enhance customers' passenger brand preference. To this effect dealers' Marketers should use it as a unique selling proposition up on dealing with customers and drafting their marketing strategy.

✚ With regard to promotion, the result revealed that customers are not tend to prefer a particular passenger car just because they saw an advertisement. It doesn't seem that it is the right medium for products like that of car. They want to see somehow tangible and trustworthy sources. As it is seen from the study family and friends recommendation is seen to affect more in their preference may be it is because they want to avoid cognitive dissonance which can be researched by future researchers. From this finding therefore, the researcher recommends dealers to focus on public relation activities like corporate social responsibilities and the like to win the hearts of customers; there by making the brand a top of mind. Presence of a well-designed website which is full of product information is also found to have a positive effect in influencing customers' brand preference. Based on this the researcher recommends the presence of virtual showrooms might better contribute on brand preference. With regard to this element again frequent social media promotions have seen to have a positive effect on brand preference. Since we are on the digital age, it is recommended that marketers should enhance promoting their passenger car brands in an integrated manner through feasible and appealing social media platforms.

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Appendix One

Questionnaire in English

The questionnaire consists of three parts. Part one requests personal information which is required for statistical analysis purpose only. Part two requests opinion about the influence of Marketing Mix elements on Passenger Car Brand Preference. Part Three requests your overall opinion on brand preference.

Part One: Demographic Information

Please Mark “√” on your Choice for each question.

1. Age (in years)

18 – 30 31 – 45 46 - 60 61 and above

2. What is your gender?

Male Female

3. What is your monthly income (in Birr)?

Below 10,000 10,000 – 30,000

31,000 – 50,000 51,000 - 60,000

Above 60,000

4. What is your occupation?

Self Employed NGO and International Co. Pensioner

Private Government Organization

5. What is the highest level of your educational qualification?

Primary

- High school graduate
- Diploma
- Bachelor's degree
- Master's degree
- PHD

Part Two: influence of Marketing Mix Elements on Passenger Car Brand Preference

Please Mark “√” for your choice in the circle indicated

A. What brand of passenger car do you own or decided to buy?

- Toyota
- Nissan
- Ford
- Kia

Below are a number of factors for Passenger Car brand Preference. Please indicate your opinion using “√”Mark that reflects your rating using the scale below (Please mark just one appropriate box).

1 = Strong Disagree 2 = Disagree 3 = Neutral 4 = Agree 5 = strongly Agree

1. Product	Strongly Disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)
I buy a car that possesses a high quality					
I choose a car that is safer					
I buy a car that is durable					
I prefer attractive and well-designed car					
I buy a car with a unique feature					

2. Price	Strongly Disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)
I prefer a car which is low priced					
I buy a car which is highly priced					
I prefer a car which is reasonably priced					
I buy a car without considering the price					
I buy a car which is believed to have a good resale value					
3. Place	Strongly Disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)
I prefer a car which is always available in stock					
I buy a car which has showrooms all over the country					
I prefer a car with maintenance and repair services readily available					
I buy a car which has readily available spare parts					
4. Promotion	Strongly Disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)
The choice of advertising media influences my car brand preference					
I prefer a car that my friends/family have recommended.					
I buy a car after an advertisement is run in a media.					
Presence of rich and well-designed product information on a dealer's website positively influences my preference of the brand.					
Frequent social media promotions affect my car brand preference.					

Part Three: Brand Preference Questions

Please indicate your opinion using “√”Mark that reflects your rating using the scale below
(Please mark just one appropriate box).

1 = Strong Disagree 2 = Disagree 3 = Neutral 4 = Agree 5 = strongly Agree

The brand referred (X) is indicating to the car brand you selected in Part Two (A) above.

1. Brand Preference	Strongly Disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)
‘Brand X’ is congruent with my needs					
‘Brand X’ is my preference if I have to purchase a passenger car					
I recommend the dealer of ‘Brand X’ to relatives					

እዝል 2

በደንበኞች የሚሞላ መጠይቅ

ውድ ተሳታፊዎች

በመጀመሪያ የአክብሮት ሰላምታዬን ላቀርብ እወዳለሁ።

ይህ መጠይቅ በቅድስተ ማርያም ዩኒቨርሲቲ በማርኬቲንግ ማኔጅመንት የማስተርስ ዲግሪዬን ለማጠናቀቅ ለማደርገው ጥናት የሚውል ሲሆን ተሳትፎ በማድረግ ስለሚያግዙኝ በቅድሚያ ልባዊ ምስጋናዬን አቀርባለሁ። የጥናቱ ውጤት የማርኬቲንግ ባለሙያዎች የተሻለ የማርኬቲንግ ስትራቴጂ እንዲኖራቸው የሚያስችላቸው ከመሆኑ በተጨማሪ፤ በተቻለ መጠን የደንበኞችን እርካታ እንዲያረጋግጡ ያስችላቸዋል። እርስዎ በዚህ ጥናት ላይ የሚያደርጉት ተሳትፎ በፈቃደኝነት ላይ የተመሰረተ ነው። እርስዎ የሚሰጡን መረጃ ጥብቅ በሆነ መንገድ በምስጢራዊነት ይያዛል። መጠይቁ ሶስት ክፍሎች አሉት። በእያንዳንዱ ክፍል ላይ የሰፈረውን መመሪያ በመከተል እያንዳንዱን ጥያቄዎች በጥንቃቄ ያንብቡና ትክክል ነው ብለው የሚያምኑበትን መልስ ይስጡ። ስምዎን መጥቀስ አያስፈልግም።

ስለሚያደርጉልኝ ትብብር በቅድሚያ ምስጋናዬን አቀርባለሁ።

ከምስጋና ጋር

ኤልሳቤት ወርቁ

ክፍል አንድ፡ አጠቃላይ ግላዊ መረጃ

እባክዎን ለእያንዳንዱ ጥያቄ ምርጫዎን የ“✓” ምልክት በማስቀመጥ ይግለጹ

1. እድሜ (በአመታት)

18-30

31-45

46-60

61 እና ከዚያ በላይ

2. የታ

ወንድ

ሴት

3. ወርሃዊ ገቢዎ ምን ያህል ነው (በብር)?

ከ10,000 በታች

10,000-30,000

31,000-50,000

51,000-60,000

ከ60,000 በላይ

4. የስራዎ አይነት?

የግል ስራ

መያድ እና አለም አቀፍ ድርጅት

ጡረተኛ

የግል ድርጅት ስራተኛ

የመንግስት ድርጅት

5. የትምህርት ደረጃ?

የመጀመሪያ ደረጃ

ሁለተኛ ደረጃ

ዲፕሎማ

ባችለር ዲግሪ

ማስተርስ ዲግሪ

ፒኤችዲ

ክፍል ሁለት፡ የምርት ይዘት ፣ ዋጋ፣ ቦታ እና ማስታወቂያ (ማርኬቲንግ ሚክስ) የመኪና ብራንድ ምርጫ ላይ ያለው ተጽእኖ

እባክዎን ለእያንዳንዱ ጥያቄ ምርጫዎን የ“✓” ምልክት በማስቀመጥ ይግለጹ።

ሀ. እርስዎ በባለቤትነት የያዙት ወይም ለመግዛት የሚፈልጉት የመኪና ብራንድ ምንድን ነው?

- ቶቶታ
- ኒሳን
- ፎርድ
- ኪያ

ከዚህ በታች የተዘረዘሩት የመኪና ብራንድ ምርጫ ላይ ተጽእኖ ሊፈጥሩ የሚችሉ የተለያዩ ሁኔታዎች ናቸው። እባክዎን ከታች የተጠቀሱትን ነጥብ መስጫዎች በመጠቀም እና የ“✓” ምልክት በማስቀመጥ አስተያየትዎን ይግለጹ። (እባክዎን አግባብነት ባለው ሳጥን ውስጥ ብቻ ምልክት ያስቀምጡ)።

1= በጣም አልስማማም 2= አልስማማም 3= ገለልተኛ

4=እስማማለሁ 5= በጣም እስማማለሁ

1. ምርት	በጣም አልስማማም (1)	አልስማማም (2)	ገለልተኛ (3)	እስማማለሁ (4)	በጣም እስማማለሁ (5)
ከፍተኛ የጥራት ደረጃ ያለው የመኪና ብራንድ እገዛለሁ።					
ደህንነቱ የተጠበቀ መኪና እመርጣለሁ					
ለረጅም ጊዜ የሚያገለግል መኪና እመርጣለሁ					
የሚስብ እና ጥሩ ዲዛይን ያለው መኪና እመርጣለሁ					
ለየት ያለ የፈጠራ ይዘት ያለው መኪና እገዛለሁ።					
2. ዋጋ	በጣም አልስማማም	አልስማማም (2)	ገለልተኛ (3)	እስማማለሁ (4)	በጣም እስማማለሁ

	(1)				(5)
ዝቅተኛ ዋጋ ያለውን መኪና እመርጣለሁ					
ውድ ዋጋ ያለውን መኪና እገዛለው					
የተገናዘበ ዋጋ ያለውን መኪና እመርጣለሁ					
ዋጋውን ከግምት ሳላስገባ መኪና እገዛለሁ					
በድጋሚ በጥሩ ዋጋ ይሸጣል ብዬ የማምንበትን መኪና እገዛለሁ					
3. ቦታ	በጣም አልስማማም (1)	አልስማማም (2)	ገለልተኛ (3)	እስማማለሁ (4)	በጣም እስማማለሁ (5)
መኪና ዘወትር በሁሉም ቦታ በሽያጭ የሚገኝ ቢሆን እመርጣለሁ					
በመላ ሃገሪቱ የማሳያ ክፍሎች ያለውን መኪና እመርጣለሁ					
የእድሳት እና ጥገና አገልግሎቶች በብዛት የሚገኙለትን መኪና እመርጣለሁ					
የመለዋወጫ እቃዎች በብዛት የሚገኙለትን መኪና እመርጣለሁ					

4. ማስታወቂያ	በጣም አልስማማም (1)	አልስማማም (2)	ገለልተኛ (3)	እስማማለሁ (4)	በጣም እስማማለሁ (5)
ማስታወቂያ የሚተላለፍበት የሚዲያ አይነት የመኪና ብራንድ ምርጫ ላይ ተጽእኖ ይፈጥርብኛል					
ወዳጆቼ/ቤተሰብ የጠቆመኝን መኪና መግዛትን እመርጣለሁ					
በሚዲያ ማስታወቂያ ከተላለፈ በኋላ መኪና እገዛለው					
በሻጮች ድረ ገጽ ላይ የሚገኝ በአግባቡ የተደራጀ የምርት መረጃ የመኪና ብራንድ ምርጫ ላይ ተጽእኖ ይፈጥርብኛል					
በተከታታይ የሚተላለፉ የማሕበራዊ ሚዲያ ማስታወቂያዎች በመኪና ብራንድ ምርጫ ላይ ተጽእኖ ይፈጥሩብኛል					

ክፍል ሶስት: የብራንድ ምርጫ ጥያቄዎች

እባክዎን ከታች የተጠቀሱትን ነጥብ መስጫዎች በመጠቀም እና የ“✓” ምልክት በማስቀመጥ አስተያየትዎን ይግለጹ።(እባክዎን አግባብነት ባለው ሳጥን ውስጥ ብቻ ምልክት ያስቀምጡ)

- 1= በጣም አልስማማም 2= አልስማማም 3= ገለልተኛ
 4=እስማማለሁ 5= በጣም እስማማለሁ

(X) የሚለው የብራንድ ምርጫ ከላይ በክፍል 2(ሀ) ላይ የመረጡትን የመኪና ብራንድ የሚጠቁም ነው።

1. የብራንድ ምርጫ	በጣም አልስማማም (1)	አልስማማም (2)	ገለልተኛ (3)	እስማማለሁ (4)	በጣም እስማማለሁ (5)
ብራንድ“X” ከእኔ ፍላጎት ጋር የሚጣጣም ነው።					
መኪና መግዛት ካለብኝ ምርጫዬ ብራንድ “X” ነው					
የብራንድ ”X” ሻጮችን ለወዳጅ ዘመዶቼ እጠቁማለሁ					