



**ASSESSMENT OF ADVERTISEMENT PRACTICE ON  
CONSUMERS CAR BRAND PREFERENCE: THE CASE OF  
AUTOMOBILE CAR SECTORS IN ADDIS ABABA**

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CONSUMERS CAR BRAND PREFERENCE: THE CASE OF  
AUTOMOBILE CAR SECTORS IN ADDIS ABABA**

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in Marketing Management*

**ST. MARY'S UNIVERSITY**  
**SCHOOL OF GRADUATE STUDIES**  
**MA PROGRAM**

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**BY MAHDER AMSALU**

**APPROVED BY BOARD OF EXAMINERS**

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## **DECLARATION**

I, Mahder Amsalu, the undersigned person declare that the thesis entitled — ASSESMENT OF ADVERTISEMENT PRACTICE ON CONSUMERS CAR BRAND PREFERENCE: THE CASE OF AUTOMOBILE CAR SECTORS IN ADDIS ABABA is my original and submitted for the award of master's degree in marketing, St. Mary University at Addis Ababa and it hasn't been presented for the award of any other degree. Under this study, fellowship of other similar titles of any other university or institution of all sources of material used for the study has been appropriately acknowledged and notice.

**Mahder Amsalu** \_\_\_\_\_

**Date** \_\_\_\_\_

## **CERTIFICATION**

This is to certify that Mrs. Mahder Amsalu has properly completed her research work entitled — ASSESSMENT OF ADVERTISEMENT PRACTICE ON CONSUMERS CAR BRAND PREFERENCE: THE CASE OF AUTOMOBILE CAR SECTORS IN ADDIS ABABA || with our guidance through the time. In my suggestion, her task is appropriate to be submitted as a partial fulfillment requirement for the award of Degree in Master of Marketing.

***Research Advisor***

***Dr. Mesfin Workneh (PhD)***

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***Signature and Date***

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## **List of Acronyms**

<b>AD</b>	Advertisement
<b>AIDA</b>	Attention, Interest, Desire, and Action
<b>CAM</b>	Characteristics of Advertisement
<b>CB</b>	Celebrity Endorsement
<b>CBP</b>	Consumers Brand Preference
<b>SAM</b>	Source of Advertising Media
<b>SPSS</b>	Statistical Package for the Social Sciences
<b>TV</b>	Television

## **Abstract**

Measuring the effect of notice in buyers brand preference is exceptionally basic for each advertiser. Advertisement does not make any positive alter in consumers' brand preference; all assets such as cash, time, and exertion went through on notice will go in unsuccessful. The study points to investigate the effect of advertisement on buyers' brand preference within the car brand showcase in Addis Ababa city. The structured questionnaires were utilized to gather essential information from 384 respondents, out of which 370 substantial surveys were collected and analyzed. These respondents were chosen by utilizing stratified likelihood inspecting strategy. The information was analyzed utilizing description insights (recurrence, rate) and inferential insights like correlation and multiple regressions. The finding uncovered that there are positive and critical connections between Characteristics of the advertisements, Source of advertising media, and Celebrity Endorsement and brand preference of car. Indeed, although it has tall impact in by and large see, among publicizing media Internet is the foremost persuasive media in brand preference of lager in Addis Ababa city setting. In the long run, this consider prescribes fitting activities for companies in refining their promoting methodologies as a implies of overcoming the intense competition that exist within the advertise, hence, they can increment their deals volume and advertise share.

Keywords: Advertisement, Characteristics of the advertisements, Source of advertising media, Celebrity Endorsement, and brand preference.

# CHAPTER ONE

## 1. INTRODUCTION

### 1.1. Background of the Study

For us living in the 21st century viewing and being in contact with daily advertisement has become habitual for us. Marketers are frequently trying to come up with not only new advertisement strategy that appeals to the consumer but also new modes of advertisements to pass the message about their brand to the final consumer. Nowadays, Advertising has become one of the crucial commercial activities in the competitive globalized business environment and is used as a weapon on the battlefield to earn consumers love for products. . In the present digital world, everything like culture, habits of the people, technology etc. are on their way to becoming globalized. The fast tempo of globalization is thus minimizing the distance among customers.

According to Tolani (2012), the first advertisement may have been a sign painted on a wall of a building. Over a century ago, Harper's Weekly commented that advertisements were "a true mirror of life, a sort of fossil history from which the future chronicler, if all other historical monuments were to be lost, might fully and graphically rewrite the history of our time (Pope, 2013)

Advertisement is an effective way to influence the mind of viewers and gives viewers" exposure towards a particular product or service Katke (2007).

Due to this advertising creates awareness of the advertised product and provide information that will assist the consumer to make purchase decision, the relevance of advertising as a promotional strategy, therefore, depends on its ability to influence consumer not only to purchase but to continue to repurchase and eventually develop-brand loyalty. Consequently, many organizations expend a huge amount of money on advertising and brand management.

Advertisements tend to be highly informative & present the customer with several important product attributes or features that will lead to favorable attitudes and can be used as the basis for

a rational brand preference. People get information from the advertisement through the attractiveness it holds, the attention it creates and the awareness it gives. (Arens, 1996)

Brand preference is largely influenced by the success of marketing strategies and tactics employed by the company (Kotler, 2017). Brand preference plays a crucial role for businesses looking to create repeat customers out of their target audience as it creates awareness and helps businesses to develop a strong reputation.

Advertisements have become one of the essential tools in the car industries across the globe in promoting their products to the end consumers. They are some of the most inventive and effective and have always been some of the best examples of advertising and marketing.

The automotive industry has been blessed with some of the best campaigns ever created. Tending to mix innovation, inspiration and emotion in an incredibly compelling way, the best car marketing campaigns have always captured the imagination, delighted viewers, and delivered results.

According to Banner flow, a platform focused on advertising campaigns stated that consumers are becoming more knowledgeable and socially conscious than ever before. The younger generations are the car drivers and buyers of the future. The way they consume and interact with media is radically different to that of the older generation. To stay relevant, advertisers have to adjust their strategies according to creating a creative, understandable, original and memorable ad to attract their audience.

Car industries with the changing consumer behavior, advances in technology and the rise of electrification have to keep pace with emerging trends, and with the emerging audience.

Most car industries in Addis Ababa use advertisement as an important marketing tool to survive in this competitive environment. The car industry in Addis Ababa ranges from big corporate car dealers to individual importers. Most car dealers such as Nyala motors, Belayab , Moenco etc. uses media advertising ,show rooms or banner to promote their products whereas individual importers uses minimum advertising.

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

One of the main challenges that car industries in Ethiopia face in developing and implementing the best advertising is the rapid change in the business environment.

In today's world, there are a myriad of media outlets-print, radio, and television are competing for consumers' attention. There are number of creative and attractive advertisements we can see and hear in television, Radio, newspapers and in magazines. Within these media, television advertisements are more attractive and interestingly watched by mass audience. It has often been said that television is the ideal advertising medium where the consumer spends the most "attentive" time. However, the main thing here is, the marketer want to identify the influence of advertising in consumers brand preference. Nowadays cars have become essential part in lifestyle of the people in the society. Some brands' advertisements are more attractive than others are and some are new creative advertisements. Companies spend much on their advertisements to attract more customers.

Various previous studies focused on different factors that affect consumers brand preference. For instance, Yang et al. (2007) used one factor which is social reference group and some others used two factors such as Singh et al.(2012) used that celebrity endorsement and type of advertising media, Adeole et al.(2005)used that types of advertising media and Age of consumers, as the two factors for the study purpose however, although these studies focused on different organization none has been done on the effect of advertising on consumer brand preference in case of car industries in Addis Ababa.

Hence this study will address the knowledge gap within the influence of advertisement on consumer brand preference by describing the three factors (Advertisement media, Celebrity Endorsement and Characteristics of Advertising).

## **1.3. Research Questions**

- Which Advertisement media has more influence on the Brand preference of Car consumers in Addis Ababa?

- Does the use of Celebrities have an impact on Consumer Brand preference and buying decisions of Car consumers in Addis Ababa?
- How do Characteristics of Advertising affect the Brand preference of Car consumers in Addis Ababa?

#### **1.4. Objectives of the study**

This research work is designed to achieve the following specific objectives.

- To study which Advertisement Media has more influence on the Brand preference of Car consumers in Addis Ababa
- To identify the impact of Celebrity Endorsement in Advertisement on Brand preference of Car consumers in Addis Ababa
- To investigate how characteristics of Advertisement (Creative, Understandable, Original and Memorable) affect the Brand preference of Car consumers in Addis Ababa.

#### **1.5. Hypothesis**

**H<sub>a1</sub>:** TV Advertisement Media has more influence on the Brand preference of Car consumers in Addis Ababa.

**H<sub>a2</sub>:** Celebrity Endorsement in Advertisement has a positive/negative significant impact on Brand preference of Car consumers in Addis Ababa.

**H<sub>a3</sub>:** Characteristics of Advertisement has a positive/negative significant impact on Brand preference of Car consumers in Addis Ababa.

#### **1.6. Significance of the Study**

This study recommends some actions by providing practical information about core advertisement issues. Improving the influence of Advertisement in consumer brand preference will give the companies the ability to communicate effectively and efficiently with their target audiences is important to their success. The findings of this study will help car industries in Addis Ababa in identifying the present situations and future strategies to satisfying and attracting company's customers better than competitors. Consumer satisfaction depends on their perception



and brand preference of the brand. The finding of this study will help car companies for better understanding of their target audience by improving their advertising strategy to capture the target market and boost their sales. This study may also serve as reference for other related companies and as a guideline who wanted to conduct further studies in the same sectors.

### **1.7. Scope of the study**

This study focused on consumers brand preference in car industries in Addis Ababa. It considered the effect of advertising media toward the car brand preference in Addis Ababa. In addition, this study did not include business, commercial, government and other international and local organization car brand preference. It focuses on the brand preference of final consumers who buy cars for their personal consumption (personal passenger car). It focuses on how consumers gain information of the products easily through advertisement media (Internet, TV and Newspaper) and how the use of celebrities impacts the behavior toward the brand preference of consumers.

This research is conducted in Addis Ababa and the study only targets car consumers with in the specified geographic location.

### **1.8. Limitation of the study**

This study is limited to target the consumers of private cars excluding business, commercial, government and other car consumers. The data collection is done through car consumers not from car companies as it is restricted to get their data. Only limited data will be collected in case of their advertising media. Moreover, this study used purposive and convenient sampling technique. This technique is used on the sample selection process continued until the required sample size has been reached. It involves selecting randomly those cases that are easiest to obtain the required sample (Zikmund, 2003).

## **1.9. Organization of the study**

In this study, the first chapter consists of the background of the study and statement of the problem along with research question, objective, significance, scope and limitation of the study. The next chapter includes literature review which is organized by theoretical concepts as well as and empirical literature reviews. The third chapter includes methods of the study and it comprise from research approach and design including sampling methods, population, analysis method and ethical consideration. The fourth chapter comprises the detail analysis and discussion of the data to be collected for the study. The fifth chapter includes summary of findings, conclusions, recommendations, and implications for future research.

## **1.10. Definition of terms**

**Consumer**- A consumer is a person who identifies a need or desire, makes a purchase, and/ or desire, makes a purchase, and/or disposes of the product, Schiffman (2010),

**Advertising**-According to Belch & Belch (2003), advertising as any paid form of non-personal communication about an idea, a product, an organization or a service by a known promoter.

**Brand**-A brand is an intangible concept that helps people (notably consumers) recognize and identify a particular company, product, or individual.

**Brand preference**-Brand preference, according to Dadzie and Boachie-Mensah (2011), is the measure of brand loyalty in which a consumer will select a specific brand in the existence of competing brands, but will accept alternatives if that brand is unavailable.

**Celebrity Endorsement**- A celebrity endorser is “any individual who uses his or her public recognition on behalf of a consumer good by appearing with it in an advertisement” (McCracken, 2001).

## **CHAPTER TWO**

### **2. REVIEW OF RELATED LITERATURE**

According to Frank, Arlene, (2014), a literature review surveys books, scholarly articles, and any other source relevant to a particular issue, area of research, or theory, and by so doing, provides a description, summary, and critical evaluation of these works in relation to the research problem being investigated. Literature reviews are designed to provide an overview of sources one has explored while researching a particular topic and to demonstrate to the readers how the research fits within a larger field of study.

Hence, this chapter presents theoretical framework of the study with basic study model. It also includes theoretical related literature review and empirical literature. At the end of this chapter the conceptual framework and hypotheses for the study will be presented.

#### **2.1. Theoretical Framework**

Models and Theories within external marketing communication and advertising that has been highly influential in both textbooks and in the professional advertising practice (Hackley, 2005). These theories all derive from what can be referred to as the old ‘learning theory’, a theory that can be related to the Pavlov’s dogs’ experiment. Pavlov trained his dogs’ to associate the arrival of food with the ringing of a bell; a sound that alone would lead to the salivation response among the dogs. Just like the bell in Pavlov’s dogs’ experiment, advertising was seen as a stimulus that would give rise to a response, just like the dogs’ salivation response.

According to Kitchen (1994) advertising are aiming to progress customers through the cognitive, affective, and behavioral stages before they buy the products. Models are grounded on the base that to be effective and achieve the desired response, several steps must be completed and passed. Any piece of persuasive communication must carry the audience through the series of stages that has been drawn. These stages are placed so that a customer must climb them, and one step cannot be reached until the previous is completed (Mackay, 2005).

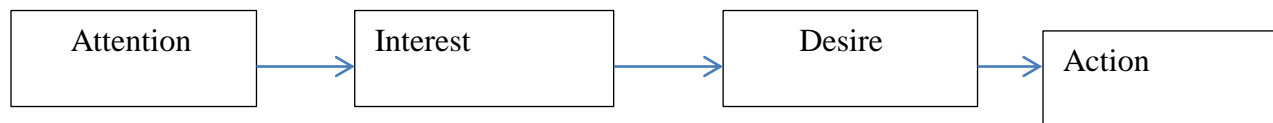
Models have been created to give more specific guidelines on how customers may respond to advertising. These models are created to show what behavioral steps customers has to pass through when exposed to advertising and if the communicating organization can lead the customer through all these steps, the risk for noise in the communication process decreases even more (Mackay, 2005). To have in mind when reading about these models are that advertising professionals still tries to find the ultimate model that can be applicable on the real market and its customers. Right now, the models and theories are hard to apply into real life (Jobber, 2004).

### 2.1.1. Models of Advertisement

Though there are several models of advertisements just two models are reviewed in detail for the purpose of this study. According to Colley et al. (1984) one of the earliest models was **AIDA: (Attention, Interest, Desire and Action)**. This is a historical model of how advertising works, by first getting the consumer's attention. The second one is **LAVIDGE AND STEINER MODEL** which shows the process how advertising works.

#### 2.1.1.1. AIDA Model (Attention, Interest, Desire and Action)

It was developed to represent the stages a salesperson must take a customer through in the personal selling process. The effect is the action into which a prospect may be induced because of advertising.



*Figure 2.1 1 AIDA Model (Source: Colley et al, 1984)*

It highlights the importance of catching the eye/ear of the prospect and creating interest through the advertising message and its presentation. The desire to obtain advertising goods/ services may be generated though to varying degrees among different prospects because of advertising.

- **Awareness**

It is the first step of hierarchy of AIDA model, where people get awareness about products. At this stage, advertisers introduce their products, services, and information about the usage of products. Initially, advertisers create awareness about products in their target market and its benefits to use (Baca et al., 2005). According to Ashcroft and Hoey (2001) awareness is the cognitive stage to attract customers and is the first step of communication process.

- **Interest**

Advertisement of a product or service is run with the aim to create interest among target viewers because creating interest is the priority of advertisers (Rowley, 1998; Broeckelmann, 2010). Continues buying of a particular product shows consumers' interest (Ghirvu, 2013). Pharmaceutical companies, for example, often invest to create products interest in target market with aggressive sales force which attempts to motivate customers for further query (Baca, 2005).

- **Desire**

It is the third step of hierarchy of AIDA model that deals with the aspiration of target customers to buy a product or service. From advertising viewpoint, desire is said to be the intense level of wanting a product. Creating desire is the precedence of advertisers, where they explain the features and benefits of their products that how much value you have here (Richardson, 2013). At this level, advertisers try to give greater exposure of a product to the customers (Rowley, 1998).

- **Action**

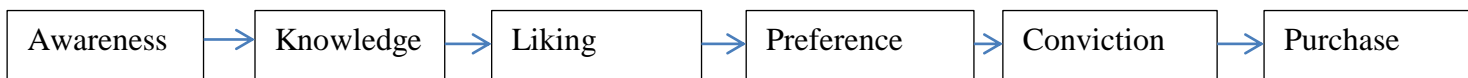
At the fourth level of hierarchy of AIDA model action on the part of a customer is taken i.e. actually purchasing a product or service. At this stage, customers are ready to pay for the products to fulfill their intense desire for a particular product or services. Several incentives offered may persuade a customer to act (purchase). For example, discounted prices often entice customers to act (Rawal, 2013). As mentioned by Ashcroft and Hoey (2001) action is the

behavior stage involving actual purchasing. According to Hoyer and Macinnis (2009) effective advertising creates positive feelings that lead to actual purchase of advertised products.

#### **2.1.1.2. LAVIDGE AND STEINER MODEL /Hierarchy of Effect Model**

This model shows the process by which the advertising works and assumes that a consumer passes through a series of steps in sequential order from initial awareness of a product or service to actual purchase.

A basic premise of this model is that advertising effects occur over a period. Advertising communication may not lead to immediate behavioural response or purchase; rather, a series of effects must occur, with each step fulfilled before the consumer can move to the next stage in the hierarchy.



*Figure 2.2 1 LAVIDGE AND STEINER MODEL /Hierarchy of Effect Model*

The model considers the cognizance of the competitive situation. Such competition may arise between brands of a product or even between substitute products as perceived by prospects constituting the target audience

The stage of liking following those of awareness and knowledge may refer to the advertising thus emphasizing the creative aspects. Performance for the product or the brands play is the combined effect of the product characteristics and their relevance to the target audience, and of advertising.

#### **2.1.2. Concept of Consumer Brand preference**

As pointed out by Ebrahim (2013), measuring a consumer's brand preference is a significant step towards comprehending consumer choice behavior. He further notes that brand preferences reveal the kind of traits possessed by a brand, and how these attributes bolster the brand's position and boost its market share. As indicated by Lin (as cited in Alamro and Lowrey, 2011),

a single brand preference can be regarded as a measure of loyalty. Higher brand preference would thus normally result in more revenues and profitability.

Alamro and Rowley (2011) assert that there is no consensus on the definition of brand preference. They state that different authorities conceptualize brand preference in different ways and suggest different relationships between brand preference and other branding variables. For example, Keller (as cited in Alamro and Rowley, 2011), discusses brand preference as an antecedent of brand loyalty and brand equity, whereas Chang and Ya Ming (as cited in Alamro and Rowley, 2011) discuss brand preference because of brand loyalty and brand equity.

Brand preference, according to Dadzie and Boachie-Mensah (2011), is the measure of brand loyalty in which a consumer will select a specific brand in the existence of competing brands but will accept alternatives if that brand is unavailable. They contend that it could also be considered as the inclination to choose a particular brand of product in preference to any other having a comparable advertised brand.

As a long-term strategy, establishing brand preference helps to increase revenue, profit, and market share. It also plays a role in building brand equity which determines a brand's popularity and strength in the market against competitors.

#### **2.1.2.1. Model of brand preference**

##### **1. Preference-Repurchase Intention Model**

Brand preferences have long been explained using traditional models, which largely focus on consumers' cognitive judgment of brand attributes on a rational basis. However, the shift to experiential marketing, the cornerstone of branding, has expanded the role of the brand from a bundle of attributes to experiences. It also considers both the rational and irrational aspects of consumer behavior (Schmitt, 1999, 2009)

In addition, technological advances have increased the similarities between brands and product commoditization. Therefore, consumers find it difficult to differentiate between brands on

functional attributes alone. Instead, they seek the brand that creates an experience; that intrigues them in a sensorial, emotional, and creative way. Such experiential appeals are important components of a brand and are used in brand differentiation and enhancement of consumer preference. Therefore, companies competing in such markets face difficulties, since their survival requires building competitive advantage by delivering memorable experiences (Gentile, Spiller, & Noci, 2007; Schmitt, 1999, 2009). Currently, such experiences are fundamental to the creation of consumer brand preferences, and the stimulation of future purchasing decisions

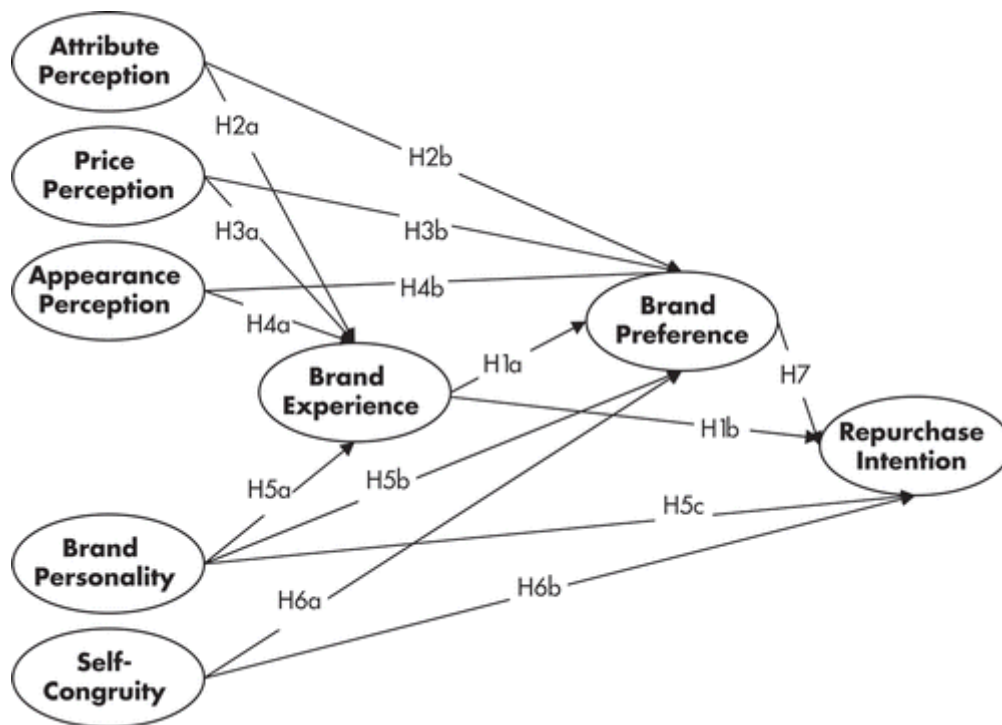


Figure 2.3 1 Brand preference-repurchase intention model

## 2.2. Empirical Related Literature Review

Advertisement plays a crucial role in the survival of any organization. It is the avenue that leads to sales and awareness of a product or service that the organization provides. Advertising can therefore be defined as an action of drawing out the public attention to a good or service in exchange for a monetary value. Therefore, advertising in the general sense is an action and it's



not limited to only the use of print media, television, internet or any other specific medium (Kotler,2018).

According to David et al. (2009), advertisement do have various objectives these include need recognition, identifying buyers, brand building, evaluations of alternatives, exposure, awareness, attitude change, profit, decision to purchase, and customer retention. Advertising plays a vital role in marketing consumers' purchasing decision. Some of them are, to introduce new product: one of the roles of advertising is to inform consumers about the existence of a new product in the market.

### **2.2.1. Advertising and Brand Preference**

According to Macrae (1994), "Brand benchmarking applied to global branding processes" consumer buyers almost always approach the marketplace with a well-established set of tastes and preferences. While direct competitors strive to outdo one another to winning greater brand preference and loyalty, there is also rivalry between producers and marketers in very different industries, promoting very different kinds of goods and services (Knox, 1997). Almost everyone grows up in the world which is flooded with the mass media (Latif and Abideen, 2011).

Consumer tastes and preferences for a product or brand might be built through one or more of the following distinct modes. Need association: the product or brand is linked to one need through repeated association. Mood association: the mood is attached to the product or brand through repeated association. Subconscious motivation: suggestive symbols are used to excite consumers' subconscious motives. Behavior modification: consumers are conditioned to buy the brand by manipulating cues and rewards. Cognitive processing: perceptual and cognitive barriers are penetrated to create favorable attitudes, and finally model emulation: idealized social lifestyle models are presented for consumers to emulate (Katke, 2007).

Brand image and advertisement play a crucial role to boost up any business performance as brand image is an implied tool which can positively change people's buying behaviors and advertisement is behaving as a driving force for any business as it is an effective source to convey message and stay in customer's mind Iqbal (2013).

Michael (2012) had conducted a study on the Impact of Media on Consumers' Brand Preference" A Study on Carbonated Beverage Market with Reference to Coca-Cola. The finding shows that brand preference exists in the carbonated beverage Market and the media efforts affect consumer preferences and their brand choice. The research conducted by taking three main variables, namely Information, communication, and comprehension. The research revealed that the variable information has high influence in advertisement in consumer's brand. These three dimensions account for about 56% of respondents that are highly influenced by information in advertisement (Vivekananthan, 2010).

Adeole et al. (2005) examined that the impact of advertisement on consumers brand preference in different areas, the results showed that from five different media used in advertising Bournivita and how consumers viewed them in order of preference, for most consumers their preference is television advertising while newspaper and magazine shared 4.44% each and similarly Gezachew (2012) conducted with same topic with reference to electronics product and found that from advertising media perspective television advertising is the most preferred by consumers to have awareness. To convey advertising message experts, celebrities, and common man were preferred by consumers to get reliable information of the brand. Chandrima (2009) had conducted the research on "The impact of electronic and print media on consumers brand preference." Customers prefer television in comparison to other media since they get both the audio and visual effects. This also proved that customers rely on advertisements shown in media.

Tendon (2011) assessed that the "Impact of advertising on the brand preference of tea." variables of the study are advertising, sales promotion, they are source of awareness and income, age, gender, and education are also independent variables. The study revealed with the perspective of source of awareness of tea brand, advertising accounts for 72.4% of the respondents while 2.2% respondents feel that sales promotion schemes create awareness of the brands. In the side of parameters for the parameters of tea brand, 63.8% of respondents considered quality of the product (tea) as the most important parameter and only 12.9% of respondents considered advertising as the most important reason for the preference of tea. Again,

the study revealed that age, income, and education have great impact on the brand preference of tea whereas gender has no impact on the brand preference of consumers.

### **2.2.2. Advertising Media and Brand Preference**

According to Kotler and Armstrong (2008), advertising media is the vehicle through which advertising messages are delivered to their intended audiences. As advertising becomes more important for businesses, larger companies can spend more and more on sophisticated ways to make us buy their products. Advertisers also exert direct and indirect influence on the media companies and their content to foster moods and cultures where consumers are more likely to buy their products.

#### **2.2.2.1. Electronic Advertisement**

Electronic media means broadcast or storage media that take advantage of electronic technology. They may include television, radio, Internet, and any other medium that requires electricity digital encoding of information. The term 'electronic media' is often used in contrast with print media (Belch et al. 2007).i

#### **2.2.2.2. Television Advertisement**

Television advertising is a relatively recent development in the field of advertising media and its impact has been enormous. In terms of expenditure, television is second only to the press, and its growth in recent years has consistently exceeded that of all other media. The importance of the medium is reflected in the publication of books devoted solely to the subject of commercial television (King, 1991).

According to Belch et al. (2007), Television is the ideal advertising medium. Its ability to combine visual images, sound, motion, and color presents the advertiser with the opportunity to develop the most creative and imaginative appeals of any medium.

Adeole et al. (2005) examined that the impact of advertisement on consumers brand preference in different areas, the results showed that from five different media used in advertising

Bournivita and how consumers viewed them in order of preference, for most consumers their preference is television advertising while newspaper and magazine shared 4.44% each and similarly Gezachew (2012) conducted with same topic with reference to electronics product and found that from advertising media perspective television advertising is the most preferred by consumers to have awareness.

### **2.2.2.3. Internet Advertisement**

The Internet is used by online and offline companies to promote products or services. Paid search placements, also known as cost-per-click advertising, is where you bid a certain amount to present your link and text message to users of search engines like Google and Yahoo. Benefits of internet advertising are relatively cost effective; advertising can target specific types of viewers by positioning an ad banner on related web sites. Messages can be timely because editing the content is often easy and instantaneous (Bergh et al., 1999).

Within these media, television advertisements are more attractive and interestingly watched by mass audience. It has often been said that television is the ideal advertising medium where the consumer spends the most "attentive" time.

### **2.2.2.4. Newspaper Advertisement**

Bansal and Gupta (2014) studied on the impact of newspaper advertisement on consumer behavior. The study selected a sample 1017 advertisements from different English newspapers which appeared recently in 6 weeks. The study found that many advertising in newspapers were informational, and they were perfect in convincing consumer to buy store products. Print media is a very commonly used medium of advertising by businessman. It includes advertising through newspaper, magazines, journals and the like and it is also called press advertising. Newspapers are included in paper print out which are published in English or Kiswahili. These are the sources of news, opinions, and current events (Mc Quails, 2005). In addition, Newspapers are also a very common medium of advertising.

### **2.2.3. Celebrity and Brand Preference**

Celebrities are people who enjoy public recognition by a large share of a certain group of people. As companies invest large sums of money in celebrity endorsement contracts, any celebrity endorsement relationship must contribute to larger marketing strategies (Erdogan and Kitchen, 1998). Celebrities in advertising make the advertisement more noticeable to consumers; it makes a brand differ from other brands that use common people and therefore a good basis of capturing and retaining consumer attention (Muda et al., 2012).

Recent Studies show that using celebrities in advertising increases the message's persuasiveness on consumers which results in consumer's easy identification and recall of the products and service (Zhou &Whitla, 2013). This is all due to the underlying image people have of celebrities in their minds as the perfect human beings. However, there are risks involved. Celebrities don't tend to be as they are imagined. The high-profile lives of celebrities are constantly reviewed and criticized by the media therefore problems are likely to emerge (Jin &Phua, 2014).

A study by (R. Goldsmith, B. Lafferty and S. Newell, 2010) concludes that no matter who has been used in the advertisement, corporate credibility as well as reliability of product outweighs celebrity endorsement in advertisement.

Accordingly, it has been confirmed by scholars and marketers that celebrity endorsement is a very effective marketing tool, as celebrities have considerable influence on consumers' attitudes and purchase intentions (Hsu et al., 2002).

### **2.2.4. Advertisement Characteristics and Consumer Brand Preference**

As per the above sections of literature, one can understand advertising has a foremost and vital effect on brand preference of consumers. Companies need to produce the products and service to satisfy the customers in the market. That is why they must use advertising to let consumers know what the product is, what the function is, and who the producer is. So, the effectiveness of advertising is an important factor for the decisions by customers (Bergkvist 2000).

#### **2.2.4.1. Creative Advertisement and Consumer Brand Preference**

According to Poona Sharma (2012), there should be an element of creativity in an advertisement. This creativity is to create something new, unique, extremely attractive and appealing to the consumers. In fact, advertising itself is a creative process. Creative advertisement leads to innovation.

Cacioppo, Richard and Schumann (1983) states that Creativity in the advertising is also very important in their article, such as the use of High-Tec. Nowadays, advertising is more related with new artistic, cultural, and communicative as the creative forms. Internet and computer are still the useful ways for the visual communication in the advertisement.

#### **2.2.4.2. Memorable Advertisement and Consumer Brand Preference**

In my perspective advertisements are meant to be short, precise, and memorable to be able to hit right on the head otherwise consumers will begin to despise all ads. Ads should represent your brand clearly and flawless as the brand is the most important thing in any commercial and is what is meant to stay in the consumer's mind. Advertisements need to stick in the brains of customers. Brassington and Pettitt (2001) recommend to firms about how ad should be memorable: "you want customers to remember your ads, so they remember your business. Strive to create extraordinary pieces for your marketing so you stand out from other, similar companies".

#### **2.2.4.3. Understandable Advertisement and Consumer Brand Preference**

Advertisement should not be complex. The more complex the advertisement is, the more difficult will be the advertisement to understand and remind & vice versa. Adeolu (2005) recommend firms should develop more effective advertising campaign that attracts consumer's attention and capture their interest. At this stage, the company's advertising messages should be simple to understand and interpret. The simplicity of the advertisement leads to impart the information to the consumers so that they are well informed and can make a good choice. The advertisement should be conveyed in such a way that, knowledge about product specification, features, quality, and function should comprise briefly. For this study, the researcher implicates

car companies should create a storyline and make the ad simple to remember. The storyline gives life to the ad. It also should not confuse the consumers of the product, so it should be short and precise.

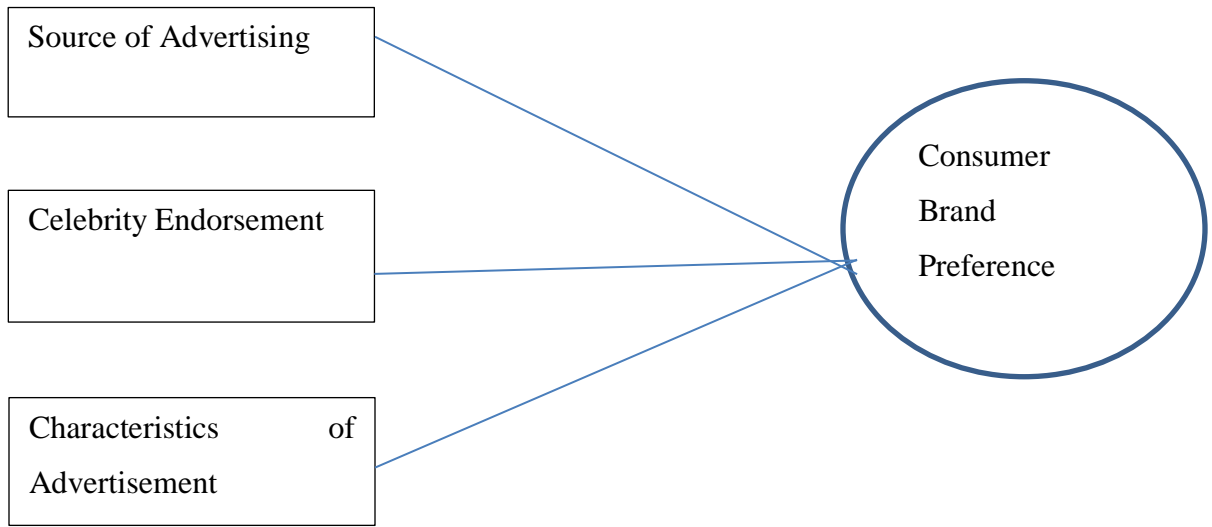
#### **2.2.4.4. Original Advertisement and Consumer Brand Preference**

M. Bansal and S. Gupta (2014) on their *Global Journal of Finance and Management* focused on the impact of informational content within the newspaper on consumer behavior. The impact of newspaper advertisement assessed from the fact that advertisements with more trusted (honest) content were found to influence more customers than advertisements with biased informational content. Thus, it can be understood that Advertisements can make or break a product especially in today's highly competitive markets. Creating the best commercial is vital to getting one's product out there. Constant repetition of these steps is not necessary and may cause consumers to reject the given product. Commercials are just meant to capture the consumer's attention; it is up to the business to build loyalty and trust through honest advertising, thus maintaining a healthy relationship with its consumers.

Automotive industries can grab a user's attention by emphasizing the novelty of their product offering a great deal or doing something completely out of the box.

### **2.3. Conceptual Framework**

The following conceptual framework is developed for this study. In developing the conceptual model, the concepts were taken from various conceptual frame works developed by different researchers. Source of advertising is adopted from Gezachew (2012) and Sing et al. (2007). Celebrity Endorsement is adopted from Hsu et al., (2002) and Erdogan and Kitchen, (1998), and finally characteristics of advertising messages is adopted from Adeolu, Haghirian, and Madlberger, (2005). The framework shows that the independent variables such as source of advertising, Celebrity endorsement and advertisement characteristics and brand preference as dependent variable.



*Figure 2.4 1 Conceptual frame work of the research*

Source: Adopted from (Gezachew, and Michael, 2012), (Hsu et al., 2002) and Adeolu, Hagherian, and Madlberger, (2005).



## **CHAPTER THREE**

### **3. RESEARCH METHODOLOGY**

This chapter presents research approach and design of the study. It also includes data type and source, target population, sampling procedure, size and techniques, data gathering instruments, validity and reliability test, data presentation and model of the study and ethical consideration of the study.

#### **3.1. Research Approach**

Research can be approached as qualitative and quantitative or mixed when approach to research has been considered as the criterion of classification. Qualitative research is more subjective in nature than quantitative research and involves examining and reflecting on the less tangible aspects of a research subject, whereas the emphasis of quantitative research is on collecting and analyzing numerical data; it concentrates on measuring the scale, range, frequency etc. of phenomena (Marczyk and Festinger, 2005). In addition, mixed method integrates quantitative and qualitative data collection and analysis in a single study or a program of enquiry (Creswell, 2009). This study used all the research approaches to collect and analyze numerical data also will concentrate on measuring the scale, range, frequency.

#### **3.2. Research Design**

Research Design is a general blueprint for the collection, measurement, and analysis of data, with the central goal of solving the research problem. It includes the outline of what the research did, from writing the hypothesis and its operational application to final analysis of data (Creswell & Clark, 2007).

There are three types of research design based on the study 's purpose: exploratory, descriptive, and explanatory (Creswell, 2009). The exploratory study provides more insight and ideas to discover the real nature of the issue under investigation. Descriptive research is concerned with describing specific phenomena; it is a means to an end rather than an end, since it encourages future explanation. Explanatory research explains causal relationships between variables. Overall, this study used descriptive and explanatory research design to investigate how advertisement affects consumer brand preference of car consumers in Addis Ababa.

### **3.3. Data types and sources**

Primary data was collected through customer survey. As the researcher intends to investigate the effect of advertisement on consumers brand preference, the primary data was collected from primary sources via questionnaires. In this study, a primary data sources were collected from automobile car owners even if obtaining can be expensive and time consuming.

### **3.4. Population of the study**

#### **3.4.1. Target Population**

Population is defined as the complete set of units of analysis that are under investigation, while element is the unit from which the necessary data is collected (Marczyk and Festinger, 2005). This study examined private automobile car owners limited among five brands which are NISSAN, TOYOTA, KIA, SUZUKI, and HYUNDAI (aged above 21 and below 80 years old) in Addis Ababa from both genders. The target population of the study are those who bought their car for their personal use (384 private passenger car owners) during the year 2019-2020 in Addis Ababa.

The number of populations is finite but difficult to count. Therefore, the study used non-probability sampling approach particularly purposive and convenient sampling techniques because non –probability sampling approach enables the researcher to get some idea of the population and characteristics of the problem using well informed member in a short time.

### **3.5. Sampling Procedure**

Sampling design applied for the research is two level sampling. Initially Purposive sampling is used to select car brands in Addis Ababa in due to their high level of business activities. The reason behind such sampling design is to get higher number of consumers in a single place within short period of time.

Accordingly: NISSAN, TOYOTA, KIA, SUZUKI, and HYUNDAI car brands are selected using purposive sampling.

The sample was drawn from car buyer customers through convenient sampling method. It was picked because it is the more accessible method for reaching the respondents by obtaining direct and personal search. To generalize with confidence about the constructs under investigation, the appropriate sample size has been considered.

#### **3.5.1. Sample size**

The sample size is defined as the number of observations used for determining the estimations of a given population. The size of the sample is drawn from the target population. The formula to find out the sample size (n) of infinite population is given as under (Kothari, 2004).

Considering this, the sampling technique that is used to select samples from the given population is convenient sampling. In this technique the sample selection process is continued until the required sample size has been reached. It involves selecting randomly those cases that are easiest to obtain the required sample (Zikmund, 2003).

Since the population of the study is infinite, the following formula is used to determine the appropriate sample size.

$$n = \frac{(Z)^2 pq}{e^2}$$

Where, n= sample size

$z$  = the value of standard variety at a given confidence level and to be worked out from table showing area under normal curve.

$p$  = sample proportion

$q = 1-p$

$e$  = given precision rate or acceptable error

$e = 0.05, z = 1.96$

$p = 0.5, q = 0.5$  and we get

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

$$n = \frac{0.9604}{0.0025} = 384.16$$

$$\mathbf{n = 384}$$

Therefore, the target population of this study was infinite or unknown which required 384 samples. Data will be collected from the highest top 5 Automobile car brand users based on the sample size of 384.

### **3.5.2. Sampling Technique**

The sampling technique used in this study is non-probabilistic sampling technique. A nonprobability sampling provides with an information-rich case study in which it enables to explore the research question and gain theoretical insight (Saunders, Lewis & Thornhil 2009). The sampling technique used to select samples from the given population was purposive & convenient sampling.

### **3.6. Data Collection instruments**

To gather firsthand data, questionnaire was prepared and administered based on the review of related literature important to the subject of the study. Based on which this study prepared questionnaires as a tool to collect data. Thus, questionnaires are designed to focus on the effect of advertisement on consumers brand preference.

The questionnaire comprises a 5-point Likert scale of 1 - 5 where, 1 shows high level of disagreement and 5 shows high level of agreement. The respondents will be instructed during the administration of the questions by the researcher to mark the most suitable answer. Respondents are also required to answer intelligently and expeditiously as possible.

### **3.7. Data Analysis Technique**

For analysis of data collected, the data was recorded and coded into SPSS software. Descriptive statistical analysis such as frequency, mean and percentage are used to analyze the data that are collected from sample respondents in the survey in relation to their attitudes, knowledge, and opinions toward advertising. Moreover, correlation analysis was employed to attain the relationships, to test the hypotheses and consequently to answer research question. Correlation analysis studied the joint variation of two or more variables for determining the amount of correlation between two or more variables. Multiple regression analysis was also used to examine the predictive power of each of the independent variables for the overall consumers buying behaviors (dependent variable).

The overall model of this study was the multiple linear regressions model which is presented below.

$$Y = \alpha + \beta_1 \text{CAM} + \beta_2 \text{SAM} + \beta_3 \text{CE} + \epsilon$$

Where

Y = the dependent variable to be predicted

$\alpha$  = Y axis intercept (the constant)

$\beta$  = slope of the independent variables (CAM, SAM, CE)

CAM, SAM, CE = independent variables used to predict the dependent variable

$\epsilon$  = the error number

CBP is Consumers Brand Preference

CAM is Characteristics of Advertisement

SAM is Source of Advertising Media

CB is Celebrity Endorsement

### 3.8. Reliability and Validity

#### 3.8.1. Reliability

Reliability is a concern every time a single observer is the source of data because we have no certain guard against the impact of that observer's subjectivity" (Babbie, 2010, p.158). According to Wilson (2010) reliability issues are most of the time closely associated with subjectivity and once a researcher adopts a subjective approach towards the study, then the level of reliability of the work is going to be compromised. The variants of reliability will be assured through standardizing the condition under the instrument administered and employing the same design of measurement for the whole sample. In this case the researcher used Cronbach's alpha to measure reliability of eth study. The result shows that the data collected for this study is reliable according to the table below taken SPSS Reliability statistics.

*Table 3.1 1 Reliability test table (SPSS result)*

Reliability Statistics	
Cronbach's Alpha	N of Items
.994	29

Source: Own Survey, 2022

The instrument for these ponders contains 30 things that are in a Likert scale sort or others. The generally unwavering quality of the rebellious is measured. A Cronbach's alpha of 0.994 is gotten which is well over what is considered worthy by researchers which is 70% (D.L.R Van der Waldt, T.M. Rebello and W.J. Brown, 2009). The Cronbach's alpha for all the things is moreover over 70%

#### 3.8.2. Validity

Validity of research can be explained as an extent at which requirements of scientific research method have been followed during the process of generating research findings. According to Kothari (2004) Content validity is the extent to which a measuring instrument provides adequate

coverage of the topic under study. If the instrument contains a representative sample of the universe, the content validity is good. It can also be determined by using a panel of persons who shall judge how well the measuring instrument meets the standards, but there is no numerical way to express it. In this research different mechanisms are used to enhance the validity of the study.

### **3.9. Ethical Consideration**

This study will abide by ethical issues, moral conducts, and service confidentiality and for the privacy of respondents. The questionnaire was designed out in such a way that respondents are not required to write the names and reveal their personal information on the questionnaire and the confidentiality of data collected is handled with due care and used for academic purpose only. Every person involved in this study is entitled to the right of privacy and dignity of treatment.

## CHAPTER FOUR

### 4. DATA ANALYSIS AND INTERPRETATION

In this chapter of the study, the researcher discusses the results obtained from data analysis which includes demographic profile of respondents and questions related to consumer's automobile car brand preference.

#### 4.1. Survey Distribution and Response Rates

A questionnaire was distributed to the employees of the organization in a way which enables to get reliable information. Accordingly, 384 written questionnaires were distributed and 370 were fully completed and returned by the respondents. This makes the response rate 98.6%.

#### 4.2. Demographic Information of Respondents

The general background information about the respondents is presented here. Respondents were studied for their gender, age, educational qualification, income and their marital status.

*Table 4.1 1 Demographic Information of Respondents*

<b>Variables</b>	<b>Frequency(N)</b>	<b>Percent (%)</b>
<b>Age category</b>		
18 - 30	32	8.6
31 – 45	255	70
46 – 60	74	20
Above 60	9	2.4
<b>sex</b>		
Male	187	50.3
Female	183	49.7



**Educational Status**

Grade 12 and below	13	3.5
Diploma	41	11
Degree	242	65.5
Masters	54	14.5
PHD and Above	20	5.5

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**Income**

Below 5000	-	-
5001 – 10000	43	11.6
10001 – 15000	137	37
Above 15000	190	51.4

---

**Marital Status**

Single	145	39
Married	202	54.5
Divorced	23	6.5

---

Source: Own Survey, 2022

Table 4.1 essentially portrays a part of 50.3:49.7 between male and female respondents individually. This study result appears that most of the respondents of the consider are males and usually a suggestion that most of the consumers of Period are males.

With respect to the age category of respondents the larger part (70%) of the respondents are between the age of 31 and 45 a long time. The table over appears that most of the representatives are youthful beneath consider. Another critical rate of 20% of the respondents is between of 46 and 60 a long time.

Concurring to the study result the respondent's instructive levels appears; exceptionally little rate (3.5%) of respondents are below grade 12 while 11% respondents are recognition holders, larger part 65.5% of respondents are degree holders, and 14.5% are experts and the rest 5.5% have instructive foundation of PHD or other. Comes about gotten from the study clearly demonstrate that consumers of Time well taught to perform their preferences.

From the over table we are able conclude that all of the respondents win month to month wage of Birr 5000 and over.

Because it can be seen from the table over the lion's share of the respondents is married (54.5%). Other 39% of respondents are single. The remaining 6.5% of the respondents account separated.

### 4.3. Consumers' General Knowledge of Advertising

#### 4.3.1. Respondents' dependence on Advertising

*Table 4.2 1 Respondents' dependence on Advertising*

No.	Respondents' dependence on Advertising					
1	Consumers recent purchase intent after coming across any advertisement	F	Yes		No	
			252		118	
			68		32	
<b>Mode of advertisement Consumers get attached to</b>						
2	Which mode of advertisement are you getting attached?	F	TV	Internet		News paper
			117	210		43
			31.6	56.7		11.7
<b>Consumers' Descriptions of Car Ads</b>						
3	How do you describe Car Ads?	F	Creative	Understandable	Memorable	Original
			160	27	137	46
			43.4	7.2	37	12.4
<b>Regularity of Recommending Car Brands by Consumer</b>						

4	How often you recommend Car Brands after watching their advertisement?		Rarely	Frequently	Very Frequently	Never		
		F	126	51	159	34		
		%	34	14	43	9		
5	<b>Consumers' Automobile car brand preference</b>		Nissan	Toyota	Hyundai	Kia	Suzuki	Others
		F	67	51	140	35	54	23
		%	18	34	38	2.7	14.5	6.2

Source; Own Survey, 2022

Table 4.2 appears the reactions of members approximately taking promoting in to thought to create buy choice. 252 (68%) respondents took advertising in to thought to form buy choice, and 118 (32%) respondents also answered that they did not depend on publicizing to create buy choice. This suggests that most shoppers center on publicizing some time recently making their buy choice with respect to automobile cars.

Within the Table above comes about appeared that from three distinctive media utilized in publicizing Car brands, most shoppers around 210(56.7%) communicated their inclination for Internet promoting as web publicizing was slightest favored sort of media. TV promoting shared 117(31.6%). Daily paper accounted for only 13 (3.8%) of the full share and it has less introduction for gatherings of people within the range beneath ponder. Since TV publicizing comes to more gatherings of people has got to be practiced more. In spite of its tall taken a toll TV notice have the advantage of mass gathering of people, nearness and impact, locate, sound and movement and all this contributes to impact clients. The degree literary works such as (Ayanual, A. B., et al.2005; Gezachew, E.; Michael, T. 2012) too underpins this finding, they concluded that, among all promoting media, publicizing through TV was the foremost favored media to others. Generally, the results suggest that Internet Advertising is the most influential type of advertising in acquiring consumer's preference towards automobile cars.

Consumers put forward digger they would like to depict car notices and, in this respect, larger part or 160 (43.4%) of shoppers lean toward Advertisements to be inventive. another critical

number of shoppers chose advertisements to be important because it perseveres customers obtaining deliberate at all. The rest of shoppers say Advertisements ought to be depicted as unique and reasonable enlisting reaction rate of 46(12.4%) and 27(7.2%) respectively.

As it can be seen from the Table above, it is evident that 43% of the respondents did exceptionally regularly prescribe the Car after obtaining and expending the items. The remaining, 14%, 9% and 34% of the respondents did suggest Cars regularly, never and rarely.

Among the 370 respondents, 38% preferred the Hyundai brand and 34% answered Toyota brands their favorite, 18% favored Nissan brand, 14.5% of the respondents Suzuki brand while 6.2% stand with other car brands not mentioned in the options. Kia car brand found to be the least favored according to the results of this study.

#### **4.4. Inferential Analysis**

##### **4.4.1. Correlation Analysis**

Beneath this segment, relationship investigation utilized in arranges to examine the relationship among the factors of the impact of publicizing and shopper acquiring purposeful of Automobile Car items. Relationship appears how the quality or the size and course of the factors relationship with each other's. The straight relationship between factors can be measured by relationship coefficient ( $r$ ), which is commonly called as Pearson item minute relationship.

The Pearson relationship coefficient( $r$ ) is utilized to test on the off chance that a straight relationship exists between two factors. The relationship coefficient could be a factual degree of the affiliation between two numerical factors (Zikmund, 2003). The esteem of “ $r$ ” ranges from +1.0 to -1.0, where positive “ $r$ ” esteem shows a coordinate relationship and a negative ‘ $r$ ’ esteem speaks to a reverse relationship between two factors. When “ $r=0$ ” it infers that there's no relationship between the two factors. When “ $r=+1$ ” it implies that there's ideal coordinate relationship between the variables. When “ $r=-1$ ” it infers that there's a culminate negative/inverse relationship between the factors. When “ $r$ ” is in between 0.10-0.29, it infers that factors have powerless connections and when “ $r$ ” esteem is in between 0.3-0.49, it infers that the factors have direct relationship. When “ $r$ ” esteem gets to be more noteworthy or breaks even with to 0.5 it

demonstrates the relationship is solid. The relationship between promotion (publicizing media, source of promoting, and characteristics of advertising message) and brand inclination were tried by employing a relationship analysis.

**4.4.1.1. Relationship between Advertisement and Consumers' Automobile Brand Preference**

*Table 4.3 1 Correlations between independent variables (Characteristics of the advertisements, Source of advertising media, and Celebrity Endorsement,) and dependent variable (brand preference)*

		Brand Preference)	Source of advertising media	Celebrity Endorsement	Characteristics of the advertisements
Brand Preference)	Pearson correlation	1			
	Sig. (2-tailed)				
Source of advertising media	N	370			
	Pearson correlation	.776**	1		
	Sig. (2-tailed)	.000			
Celebrity Endorsement	N	370	370		
	Pearson correlation	.865**	.875**	1	
	Sig. (2-tailed)	.000	.000		
Characteristics of the advertisements	N	370	370	370	
	Pearson correlation	.879**	.823**	.784**	1

	Sig. (2-tailed)	.000	.000	.000	
--	-----------------	------	------	------	--

Source: Own Survey, 2022

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

Based on the survey correlation results of independent and dependent variables discussed in the table above it is possible to deduce the following statements.

**Characteristics of the advertisements Consumer Brand Preference**

From the above Table, we will get it that Characteristics of the advertisements have positive and significant relationship with customers brand preference. This is justified by (R= .879\*\* (r > 0.5)).

**Source of Advertising Media and Consumer Brand Preference**

Agreeing to the yields of the survey, the relationship between understanding source of advertising and consumer brand reference is positive and they are significantly/essentially connected at (R= .776\*\* (r > 0.5)).

**Celebrity Endorsement and Consumer Brand Preference**

Based on the study comes about, the relationship between Important promote (Celebrity Endorsement) and shopper brand preference is positive and they are altogether related at (R = .865\*\* (r > 0.5)).

Generally speaking, ready to get it that all of the variables had positive relationship with buyers brand behavior as well as had emphatically related with each other.

But the relationship examination appears as it were the course and degree of affiliation between factors beneath thought; that's, it does not allow to think about causal deductions with respect to the relationship between the recognized advertisement factors and buyer acquiring deliberate. In this manner, relapse investigation (regression analysis) was conducted for making causal induction with respect to that impact of promoting factors and measuring customer obtaining

#### 4.4.1.2. Preliminary test results

- **Normality**

Skewness and Kurtosis statistics of all advertisement variables for this study should be in the range of -1 to +1 which is believed to be acceptable. In this regard, independent variables for the analysis are said to be normally distributed and fulfill the requirement for multiple regression analysis.

*Table 4.4 1 Normality Test*

Descriptive Statistics					
Model	N	Skewness		Kurtosis	
	Statistic	Statistic	St. Error	Statistic	St. Error
Characteristics of the advertisements	370	-.714	.137	.027	.233
Source of advertising media	370	-.608	.137	.296	.233
Celebrity Endorsement	370	-.543	.137	.221	.233

Source: Own Survey, 2022

As per the results in the above table, variables' normality has been tried to be displayed using Skewness and Kurtosis. As it can be seen above, all the variables are in the acceptable range of -1 and +1. Therefore, it is possible to say that the variables are normally distributed.

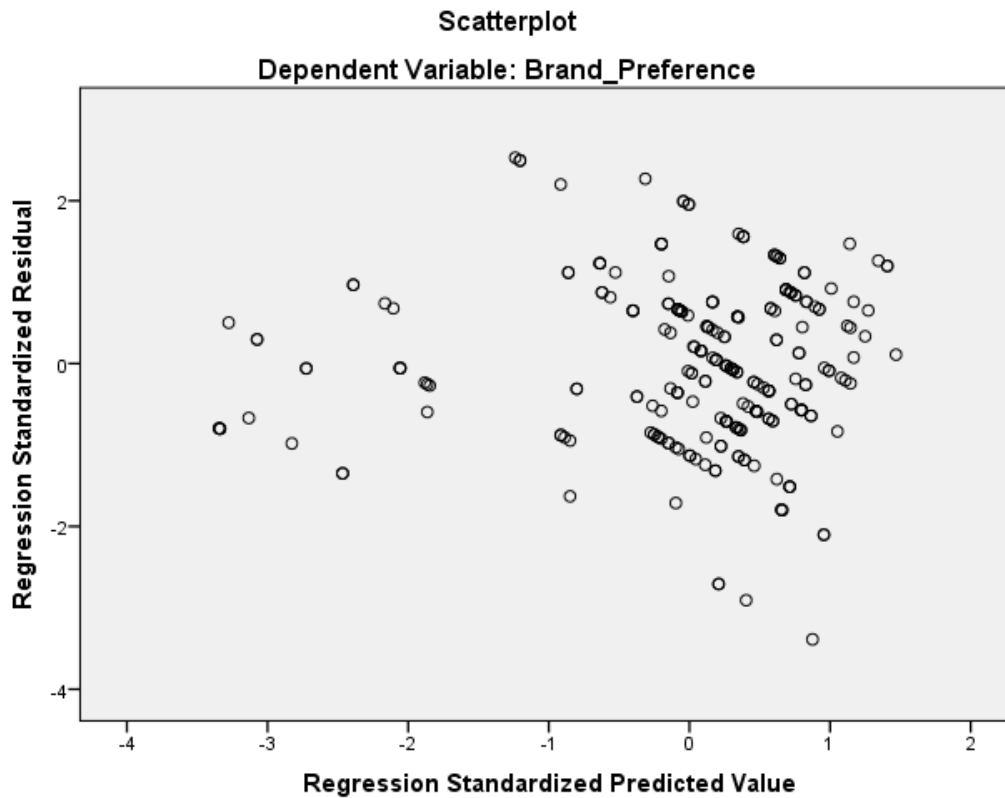
- **Homoscedasticity**

Homoscedasticity is used to measure if dependent variables exhibit simultaneous level of variance relative to different values for independent variable.

- **Linearity**

The concept of multiple regression states the linear relationship between dependent and independent variable. Points on the plot should be symmetrically distributed having constant variance. As the figure below suggests, the relationship among variables is linear.

Figure 4.1 1 Scatter Plot for Linearity and Homoscedasticity



Source: Own Survey, 2022

#### 4.4.2. Regression analysis

##### 4.4.2.1. Multiple regression analysis

Multiple regression analysis is characterized as “a measurable procedure which analyzes the direct connections between a subordinate variable and numerous free factors by assessing coefficients for the condition for a straight line” (Hair et al., 2004).

Factors were tried utilizing Multiple regression analysis, since the relationship within the past table appears as it were the relationship between the factors, but it does not appear the precise rate changes of the dependent and independent variables and the quality and degree of the relationship between variables.



*Table 4.5 1 Regression Analysis of Variables of advertisement Coefficients*

Model	Coefficient			t	Sig.
	Unstandardized Coefficients		Standardized Coefficients		
	B	St. Error	Beta		
Car Advertisements on Internet influences my car brand preference.	.285	.041	.353	.979	.000
Car Advertisements on Television influences my car brand preference.	.062	.064	.219	5.781	.000
Car Advertisements on Newspaper influences my car brand preference.	.222	.056	.209	6.465	.000
a. Dependent Variable: brand preference					

Source: Own Survey, 2022

Table 4 uncovers the result of multiple regression analysis between dependent variable brand preference and autonomous factors (TV, Internet, daily paper) promoting. As appeared within the table, the results consider uncovered that all autonomous factors such as TV, radio, and daily paper have critical level underneath 0.05 ( $p < 0.05$ ).

#### **4.4.2.2. Multiple Regression Model**

The multiple regressions model on this study appears the affecting relationship between dependent variable (brand preference) and independent variables (Characteristics of Advertisement, Source of Advertising Media, and Celebrity Endorsement). The fundamental

objective of utilizing regression equation on this study about is to create the analyst more successful at portraying, understanding, foreseeing, and controlling the expressed variable.

*Table 4.6 Multiple regression Analysis*

<b>Coefficients<sup>a</sup></b>						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
	Characteristics of the advertisements	.333	.057	.049	.881	.000
	Source of advertising media	.249	.064	.429	5.904	.000
	Celebrity Endorsement	.409	.068	.096	1.338	.018

a. Dependent Variable: Brand preference

Source: Own Survey, 2022

Mathematically,

$$Y = \alpha + \beta_1 \text{CAM} + \beta_2 \text{SAM} + \beta_3 \text{CE} + \epsilon$$

Y = CBP is Consumers Brand Preference

CAM is Characteristics of Advertisement

SAM is Source of Advertising Media

CB is Celebrity Endorsement

Based on the significant level result since all independent variables impact on the dependent variable found to be, all of them are included within the regression model. Hence, the numerical equation becomes.

$$Y = \alpha + \beta_1 \text{CAM} + \beta_2 \text{SAM} + \beta_3 \text{CE} + \epsilon$$

$$Y = 1.983 + .333 \text{ CAM} + .249 \text{ SAM} + .409 + \epsilon$$

#### **4.5. Hypothesis Testing**

##### **H<sub>a1</sub>: TV Advertisement Media has more influence on the Brand preference of Car consumers in Addis Ababa**

The researcher wanted to know if TV advertisement is the most influential source of advertisement of all listed sources in this paper and in this regard, study results revealed that consumers are highly influenced by Internet car advertisements as it has been stated on both descriptive and inferential statistics. This is justified with significant level of 0.353 and  $p < 0.05$  which is found to be highest than both TV and newspaper advertisements. The researcher rejects the alternative theory and concludes that there's adequate prove, that Internet advertisement media has more influence on the Brand preference of Car consumers in Addis Ababa

##### **H<sub>a2</sub>: Celebrity Endorsement in Advertisement has a positive/negative significant impact on Brand preference of Car consumers in Addis Ababa.**

As per the analysis made above, it is obvious that there's a positive and factually significant relationship between celebrity endorsement and consumers' brand preference with significant level of 0.409 and  $p < 0.05$ . The researcher rejects the null theory and concludes that there's adequate prove, that there's positive and factually significant relationship between celebrity endorsement and consumers' car brand preference in Addis Ababa.

##### **H<sub>a3</sub>: Characteristics of Advertisement has a positive/negative significant impact on Brand preference of Car consumers in Addis Ababa.**

Previous analysis made above reflected that there's a positive and factually significant relationship between characteristics of advertisement and consumers' brand preference with significant level of 0.333 and  $p < 0.05$ . The researcher rejects the null theory and concludes that there's adequate prove, that there's positive and factually significant relationship between characteristics of advertisement and consumers' car brand preference in Addis Ababa.

## CHAPTER FIVE

### 5. SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

#### 5.1. Summary

Results from descriptive statistics showed that majority of respondents took advertising in to thought to form buy choice. Regarding their attachment with advertising type, respondents chose to be communicated with Internet advertising and as their favorite media. This result is well against one of eth hypothesis formulated by the study as TV advertisement is the most influential of all advertising Medias in having impact on consumers' car brand preference. High rate of consumers revealed that innovative advertisement is better to describe car ads and impactful in consumers' brand preference. On the other hand, the study revealed consumers' car preference and almost close consumer preference has been spotted and this is an indication that each car brand has to work better in having better consumer loyalty relative to the rest brands.

The correlation network demonstrates that the all chosen advertisement variables: "characteristics of the advertisements, source of advertising, and celebrity endorsement" were emphatically and unequivocally connected with consumers buying preference with registered Pearson correlation "R-value" of .879\*\*, .776\*\*, and .865\*\* respectively.

Regarding the most influential source of advertising, the study tried to find the answer in two ways the first one was using descriptive statistics in assessing consumers' knowledge of advertisement and majority of respondents (56.7%) proffered Internet advertising as the one that influence their car preference. On the other end, aiming to support previous descriptive result the researcher used multiple regression analysis to identify the most influential or a media with significant influence on consumers' car preference and still the result from the study indicated Internet advertisement took the lion share in having influence on consumers' car preference.

Finally, the findings of regression analysis show that all independent variables have registered positive and significant relationship with dependent (Consumers' car brand preference) with

significant level of .333, .249, and .409 for Characteristics of Advertisement, Source of Advertising Media, Celebrity Endorsement, respectively.

## **5.2. Conclusions**

Advertising may be a huge showcasing weapon to attract customers and remain in client's intellect; conjointly it has critical effect on consumers' car brand preference. Shoppers do review and depend on notices of their brands. This review makes a difference them in choice making whereas making a buy. The sorts of car brand for the most part favored by shoppers are Hyundai, Toyota, and Nissan respectively. The finding of the study about moreover uncovered those consumers are interested to be educated almost the quality of the item and its advantage through advertising.

The result demonstrates that among advertising media, Internet promoting has tall degree of impact than other media do, since of its attraction of targeted audience, better brand engagement & optimization, cost-effective & time efficient. In opposite, among promoting media Newspaper publicizing is the slightest open and favored media due to its fewer introductions for gatherings of people (buyers) to select their lager brand sort within the area beneath study.

The result of correlation analysis uncovered that all components of advertising similar as, celebrity endorsement, source of advertising and characteristics of advertisement are well related with brand inclination of lager. The result of regression investigation too appears that these variables have significant effect on consumers' car brand preference.

The result of regression too appears that factors such as celebrity endorsement, source of advertising and characteristics of advertisement have noteworthy effect on consumers' car brand inclination. All promoting Medias have positive and significant effect on buyer's brand preference.

All components of source of celebrity endorsement have critical impact on consumer's brand preference. Also, all components of source of source of advertising and characteristics of advertisement critical impact on consumer's brand preference.

Generally, it is possible for the researcher to conclude that advertisement has great impact on consumers brand preference of car.

### **5.3. Recommendations**

- Business companies need to devise a way to deliver advertisements about their products using both national and mother tang languages via most popular Medias.
- The result of the study is revealed that Internet advertisement is a sort of advertising that consumers are mostly attached to, and this is directly related to current influence of social media in overall societal activities. Web/social media advertising allows consumers to be addressed anytime anywhere with relatively low cost as it does not involve another third party. In this regard, the companies should work on having skillful and efficient team in place to handle online advertisings.
- Trade companies' superior utilize celebrities, and specialists to advertise their items and to urge more deals volume and showcase share. Since they do have control in get consideration of target groups of onlookers. They may be performing artists, competitors, shake gazes, or alluring models. Companies ought to select the celebrities that have more prominent validity and fan taking after, and quality of the item needs to be kept up, cost ought to be sensible and, this must be upheld by overwhelming advertising.
- Numerous advertisements these days appear to have comparative advertisings which are related to family as it were, but when typically rehashed continuously individuals will get bored and need intrigued on the seeing the publicizing. So, companies ought to be more inventive.

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**SAINT MARY UNIVERSITY**  
**SCHOOL OF GRADUATE STUDIES**  
**DEPARTMENT OF MARKETING MANAGEMENT**  
**MASTERS PROGRAM**  
*Customer Survey Questionnaire (To be filled by Customers)*

**Dear Respondent,**

My name is Mahder Amsalu. I am currently enrolled in Marketing Postgraduate Program at Saint Mary University and am in the process of writing my Master's Thesis. I am conducting research on the topic:-**ASSESSMENT OF ADVERTISEMENT PRACTICE ON CONSUMERS CAR BRAND PREFERENCE: THE CASE OF AUTOMOBILE CAR SECTORS IN ADDIS ABABA**. This questionnaire is designed to collect firsthand information/data on the topic under caption. Since the information acquired is for academic purposes the anonymity of the respondent is guaranteed. Hence, it is not necessary to write your name on the questionnaire. This is, therefore, to kindly request you to take a few minutes to fill out the questionnaire as genuinely and completely as possible.

**Instructions:**

Please describe your personal views of the following statements as objectively as you can, by entering in the block a tick “√” that best reflects your views.

I remain grateful to you for your kind cooperation.

*MahderAmsalu*

*Tel: 0962491110*

**APPENDIX I:**  
**QUESTIONNAIRE**

**Part I: Respondents Profile**

Please put a “√” mark in the appropriate space to indicate your answer.

1. Age (Years)

A. 18-30

B. 31-45

C. 46-60

D. Above 60

2. Gender

A. Male

B. Female

3. Educational Qualification

A. Twelve and below

D. Bachelor

B. Diploma

E. Masters

C. PhD and above

4. Income

1. Below 5000

2. 5001 – 10000

3. 10001 – 15000

4. Above 15000

5. Marital status

1. Single

2. Married

3. Divorced

**Part II: General Knowledge of Consumers**

1. Have you tried to buy products recently after coming across any advertisement?

1. Yes

2. No

2. Which mode of advertisement are you getting attached?

A. Television Advertisement

B. Internet Advertisement

C. Newspaper Advertisement

3. If you were describing Car Ads to a friend, you would say the ad is

A. Creative

B. Understandable

C. Memorable

D. Original

4. How often you recommend Car Brands after watching their advertisement?

A. Rarely

C. Very Frequently

B. Frequently

D. Never

5. What is your Automobile car brand preference?

A. Nissan

B. Hyundai

C. Suzuki

D. Toyota

E. Kia

### Part III: Advertisement Impact Assessment

Please put “√” on the number representing your rating for a particular factor by using the following Scale:

**Strongly Disagree (1), Disagree (2), Neither Disagree nor Agree, (3), Agree (4) and Strongly Agree (5).**

Advertising Characteristics						
No.	Questions	1	2	3	4	5
CAM1	The Advertisement message is creative as a result it influences my car brand preference					
CAM2	Creative Advertisement is the only tool in increasing consumers brand perception					
CAM3	The Advertisement message is easy to understand as a result it helps me to decide my preference on car brands					

CAM4	Since the Ad is very clear, I can understand what the ad is all about.					
CAM5	The Advertisement message is original as a result it influences me to decide my preference on car brands					
CAM6	The ad creates relevant picture of the product that it is in reality.					
CAM7	The Advertisement message is Memorable as a result it influences me to decide my preference on car brands.					
CAM8	Mostly I discuss the Ad message with my friends after viewing it.					
<b>Source of Advertising Media</b>		1	2	3	4	5
SAM1	Car Advertisements on Internet influences my car brand preference.					
SAM2	Car Advertisements on Television influences my car brand preference.					
SAM3	Car Advertisements on Newspaper influences my car brand preference.					
<b>Celebrity Endorsement</b>		1	2	3	4	5
CE1	Celebrities in Advertisement influence my car brand preference.					
CE2	Advertisement is memorable when celebrities are in it.					

CE3	Advertisement should be made by Celebrities so it will attract the market.					
CE4	Celebrity endorsed car advertisements are better than non-celebrity endorsed car advertisements					

**Part IV: Consumer Brand Preference Assessment**

CBP1	I am influenced by a good brand image when I prefer a car brand					
CBP2	Advertising creates brand awareness & recall which leads to choose the brand					
CBP3	Car Advertisements played a key role on my preference of car brands.					
CBP4	I am happy with my brand choice through Advertising					