



Addis Ababa University School of Commerce  
Department of Marketing Management  
Graduate Program

Factors Affecting Consumers' Brand Preference of Dairy  
Products in Addis Ababa Outlet Shops

By: Aberra Adie

June, 2015

Addis Ababa, Ethiopia

**FACTORS AFFECTING CONSUMERS' BRAND  
PREFERENCE OF DAIRY PRODUCTS  
IN ADDIS ABABA OUTLET SHOPS**

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ADDIS ABABA UNIVERSITY SCHOOL OF  
COMMERCE, DEPARTMENT OF MARKETING  
MANAGEMENT GRADUATE PROGRAM

(Board of Examiners Approval Sheet)

Factors Affecting Consumers' Brand Preference of Dairy  
Products in Addis Ababa Outlet Shops

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**Approved By Board of Examiners:**

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# Statement of Certification

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This is to certify that Mr. Aberra Adie has carried out this research work on the topic entitled ‘factors Affecting Consumers’ Brand Preference of Dairy Products in Addis Ababa Outlet Shops’ is his original work and is suitable for submission for the award of Master’s Degree in Marketing Management.

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# Statement of Declaration

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I Aberra Adie hereby declare that **‘Factors Affecting Consumers’ Brand Preference of Dairy Products in Addis Ababa Outlet shops’** project is wholly done by me. I have carried out the present study independently with the guidance and support of the research advisor, Dr. Temesgen Belayneh. Also any other contributors or sources have either been referenced in the prescribed manner or are listed in the acknowledgements together with the nature and the scope of their contribution. And the study has not been submitted for award of any Degree or Diploma Program in this or any other institution. It is in partial fulfillment to the requirement of the program of Master’s Degree in Marketing Management.

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Name

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Signature

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Date

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## **List of Acronyms**

LMD – Livestock Marketing and Development

USAID – United States Aid for International Development

AGP –Agricultural Growth Program

CSR – Corporate Societal Responsibility

# Table of Contents

Acknowledgements.....	i
List of Acronyms.....	ii
Table of Contents.....	iii
List of Tables.....	v
List of Figures.....	vii
Abstract.....	viii
<u>Chapter One: INTRODUCTION.....</u>	<u>1</u>
<u>1.1 Background of the Study.....</u>	<u>1</u>
1.2. Operational Definition.....	4
<u>1.3. Statement of the Problem.....</u>	<u>4</u>
<u>1.4. Research Questions.....</u>	<u>5</u>
<u>1.5. Objective of the Study.....</u>	<u>5</u>
<u>1.6. Significance of the Study.....</u>	<u>6</u>
<u>1.7. Scope of the Study.....</u>	<u>7</u>
<u>1.8. Limitations of the Study.....</u>	<u>7</u>
<u>1.9. Outline of the Paper.....</u>	<u>8</u>
<u>Chapter Two: REVIEW OF RELATED LITERATURE.....</u>	<u>9</u>
<u>2.1. Branding.....</u>	<u>9</u>
<u>2.2. Establishing Brand Identity.....</u>	<u>10</u>
<u>2.3. Positioning the Brand.....</u>	<u>11</u>
<u>2.4. Customers' Brand Perception.....</u>	<u>13</u>
<u>2.5. Factors Influencing Customers' Brand Preferences.....</u>	<u>14</u>
<u>2.6. Brand Marketing of Food Products.....</u>	<u>15</u>
<u>2.7. Conceptual Framework.....</u>	<u>16</u>
<u>Chapter Three: RESEARCH DESIGN AND METHODOLOGY.....</u>	<u>19</u>
<u>3.1. Research Site.....</u>	<u>19</u>
<u>3.2. Sampling Frame.....</u>	<u>20</u>
<u>3.3. Sample Size Determination.....</u>	<u>20</u>
<u>3.4. Sampling Methodology.....</u>	<u>21</u>

<u>3.5. Data Collection Tools and Methods</u> .....	21
<u>3.6. Ethical Considerations</u> .....	21
<u>3.7. Data Analysis</u> .....	22
<u>Chapter Four: RESULTS AND DISCUSSION</u> .....	23
<u>4.1. Demographic characteristics of sample respondents</u> .....	23
<u>4.2. Data Analyses Relevant to the Study</u> .....	25
<u>4.2.1. Description of Purchase Experience, Purchase Pattern, Store Preference and Brand Switching</u> <u>Decisions of Consumers of Dairy Products</u> .....	25
<u>4.2.2. Empirical Analyses</u> .....	50
<u>Chapter Five: CONCLUSIONS AND RECOMMENDATIONS</u> .....	65
<u>5.1. Summary of Major Findings</u> .....	65
<u>5.2. Conclusions</u> .....	66
<u>5.2. Recommendations</u> .....	68
References.....	70
Appendices.....	ix
Append 1. Questionnaire for Studying Factors Affecting Consumers’ Brand Preference of Dairy Products in Addis Ababa Outlet shops.....	ix
Append 2. Questionnaire for Studying Factors Affecting Consumers’ Brand Preference of Dairy Products in Addis Ababa Outlet shops Question to the Outlet shops .....	...xviii

## List of Tables

Table 1. Percentage of Respondents By Demographic Categories.....	24
Table 2. Dairy Product Purchasing Pattern of Customers from Outlet Shops.....	26
Table 3. Customer Preference For Store Types To Purchase Dairy Products.....	27
Table 4. Percentage of Respondents by Purchase Frequency of Dairy Products. ....	29
Table 5. Consumption of Dairy Products in the Households.....	33
Table 6. Shop Characteristics and Promotional Variables Influence On Purchase Decision for Dairy Products.....	36
Table 7. Percent of Respondents Rating Influence Of Product Features on Purchase Decision for Dairy Product Brands.....	39
Table 8. Reasons For Possible Brand Switching .....	40
Table 9. Media Influence on Switching Brand Preference.....	42
Table 10. List of Brands With Which Customers are Familiar by Product Category.....	43
Table 11. Sales Pattern Of Different Dairy Products By The Shops In The Past Three Years.....	46
Table 12. Supply Pattern Of Different Dairy Products To The Shops.....	46
Table 13. Percentage of Shops Rating the Level of Influence of Shop Characteristics On Customers Brand Choice Decision.....	47
Table 14. Percentage of Shops Rating the Level Of Influence Of Product/Brand Features On Customers Brand Choice Decision.....	48
Table 15. Percentage of Shops Rating the Level Of Influence Of Demographic Variables of Customers on Customers Brand Choice Decision.....	49
Table 16. Percentage of Shops Rating the Level of Influence of Media Types On Customers Brand Choice Decision.....	50
Table 17. Fluid Milk Purchase Pattern (Few Days In A Week) .....	51

Table 18. Fluid Milk Purchase Pattern (Biweekly).....	52
Table 19. Fluid Milk Purchase Pattern (Once In 2-3 Months).....	53
Table 20. Yoghurt Purchase Pattern (No Purchase at All) .....	54
Table 21. Butter Purchase Pattern (Weekly).....	55
Table 22. Butter Purchase Pattern (Biweekly).....	55
Table 23. Butter Purchase Pattern (No Purchase at All).....	56
Table 24. Cheese Purchase Pattern (Monthly).....	57
Table 25. Cheese Purchase Pattern (Once In 2-3 Months).....	58
Table 26. Cheese Purchase Pattern (No Purchase at All).....	59
Table 27. Powdered Milk: Purchase Pattern (Weekly).....	60
Table 28. Powdered Milk Purchase Pattern (Monthly).....	61
Table 29. Powdered Milk Purchase Pattern (Once In 2-3 Months).....	62
Table 30. Difference in socioeconomic characteristics of consumers switching brands of dairy products.....	63
Table 31. Factors affecting switching brands of dairy products (probit results).....	64

## List of Figures

Figure1. Conceptual Model for Consumer Behavior With Respect To Food.....	17
Figure 2.Consumption Pattern Of Dairy Products .....	18
Figure 3. Customers' Agreement Ranks Of Social Factors Influence On Their Purchase Decision Of Dairy Product Brand.....	28
Figure 4.Customers' Agreement Ranks Of Decision For Purchasing Dairy Products Affected By The Food Culture Of The Society.....	31
Figure 5.Customers' Agreement Ranks Of Branded Products Are Better Than Unbranded Products .....	32
Figure 6. Duration Of Customers With Their Most Preferred Brand.....	35
Figure 7.Proportion (%) Of Customers Switched Dairy Product Brands In the Past Three Years (Yes = Switched, No = Not Switch).....	41
Figure8. Proportion (%) Of Customers Who Would Like To Switch Brands If Provided With Some Promotional Schemes.....	45

## ABSTRACT

*Dairy industry and product brand marketing are growing with increasing demand for livestock based foods in urban areas of Ethiopia. More and more dairy brands are entering the market both from local and imported sources. Consumers are faced with challenges of making logical decision among the different brands. Sellers and producers should know the factors affecting consumers' brand preference for their products. So far little is documented about dairy brand preferences of consumers in the Ethiopian context. The objective of this study was to explore consumers' purchasing pattern for different dairy products (fluid milk, powdered milk, butter, cheese, yoghurt), and to assess the influence of the demographic, social, and marketing variables on purchase pattern and brand switch decisions of dairy product consumers in Addis Ababa outlet shops. A combination of exploratory, descriptive and inferential statistical methods was used to conduct the study. Primary data was collected using structured interview questionnaire administered by the researcher to 304 customers of the outlet shops (of varying scales) selling dairy products. Outlet shops were sampled based on stratified random sampling and customers were sampled using mall-intercept method. Both descriptive and empirical analyses (multinomial logit and probit model) were made to validate the findings from the interviews. Findings indicate that consumers' purchase of dairy products increased significantly for fluid milk and moderately for other products (butter, cheese and yogurt) while the purchase pattern remained constant for powdered milk. Marital status, gender, income and occupation are found to be the demographic variables affecting consumers brand preferences significantly. Product/brand and mall features affecting consumers brand preference significantly are: availability, accessibility, prices and quality. Recommendations for business sector and policy makers were made and future research area suggested considering contextual issues for Ethiopian dairy brand consumers.*

Key Words: Dairy products, Purchase pattern, Brand preference, Brand switch, Consumers. Customers, Outlet shops

# CHAPTER ONE

## INTRODUCTION

This chapter introduces the reader to the study of factors affecting consumers' brand preference of dairy products. It goes on to look at the statement of problem and objectives of the research which was conducted. Issues related to research questions and significances of the study are the next part of this chapter. The limitation and delimitation of the study are also presented. Finally, it concludes by summarizing the content of the subsequent chapters.

### 1.1 Background of the Study

In developing countries the demand for products of animal origin is expected to grow rapidly in the coming years. In Ethiopia, it is suggested that although the Ethiopian dairy market remains extremely thin and volatile, the commercialization of processed dairy products through supermarkets is expanding and is expected to keep doing so in the foreseeable future. Increasing urbanization and corresponding changes in consumer preferences, behavior and purchasing power are the identified causes for the rise of supermarket-processor dairy chains. It has also been understood that emerging dairy chains provide new market opportunities to Ethiopian farmers (Francesconi et. al., 2010).

The diet of urban consumers has change drastically due to rising incomes and changing lifestyles. Food consumption has shifted away from grains and toward higher-quality calories from animal proteins and aquaculture products. Dairy demand has shown remarkable growth in the past decade, driven by mutually reinforcing factors, including rising incomes, promotion of dairy products, changing urban lifestyles, and the development of more sophisticated marketing channels. (Sonnino & Marsden, 2006).

Urban consumers spend more on high value food items than rural consumers and seek brands which ensure reduction or avoidance of safety and health problems related with the food items they want to use.(Lapar et al., 2010). Consumer brand-knowledge can be defined in terms of

personal meaning about a brand stored in consumer memory (i.e., all descriptive and evaluative brand-related information) (Keller, 2003). Different sources and levels of consumer knowledge such as awareness, attributes, benefits, images, thoughts, feelings, attitudes and experiences could be linked to a brand (Ghodeswar, 2008). The brand “promise” is the essence of the benefits (both functional and emotional) that customers can expect to receive from experiencing a brand’s products/services, which reflects the heart, soul, and spirit of the brand (Keller, 2003). Powerful brands provide long-term security and growth, higher sustainable profits, and increased asset value because they achieve competitive differentiation, premium prices, higher sales volumes, economies of scale and reduced costs, and greater security of demand (Ailawadi & Keller, 2004; Ghodeswar, 2008). Successful brands are those brands which adapt well to the environment and thus survive and flourish in the long term in spite of the competition they face. Some studies on quality and safety preferences of consumers in other developing countries show that nutritive value and taste of the product, price of the product and health risk are the most important attributes in buying decisions (Boniface & Umberger, 2012; Ortega, Wang, Wu, & Olynk, 2011). However, there is little empirical research on the indicators of quality and safety that consumers use in their buying decisions or that supplier’s use in differentiating products to promote sales and the extent to which consumers are willing to pay for such attributes under Ethiopian context.

This study has been conducted in Addis Ababa, the capital city of Ethiopia. With an estimated population of 94 million, Ethiopia is Africa’s second most populous nation after Nigeria (Adugna, 2014). Ethiopia is also one of the fastest growing economies and rapidly urbanizing countries in Africa. In response to population growth, rising income and urbanization, consumption of high-value foods such as milk, meat and eggs is growing in Ethiopia (C. L. Delgado, 2003; Smith, 2013). These changes in consumption pattern have led to the increases in the total demand for animal products in Ethiopia and the trend is expected to continue in foreseeable future (Francesconi, Heerink, & D’Haese, 2010).

The rising demand for dairy products in the country is expected to induce rapid growth in the dairy sector. Particularly, the dynamic change in the demographic, economic and socio economic situation of Addis Ababa has a significant implication on the current and projected consumption of dairy products. According to the USAID’s Livestock Market Development report, Ethiopia’s domestic dairy consumption is dominated by informal, unpasteurized sales

(90% in Addis Ababa, 95% nationally), demand fluctuates during fasting periods (LMD, 2013). Consumers may not have confidence in the quality of milk. Milk prices in urban areas may not be affordable for middle and low income customers.

The opportunity for the dairy industry is to increase demand by promoting the nutritional benefits of milk, coupled with improving the product's quality and reputation, and reducing prices and increasing availability through improvements in value chain productivity and logistics. The industry could also introduce new products and packaging that cater to the consumption patterns of different consumer segments that extend shelf life, and meet the price points of middle and low income customers. While the demand for animal products has been increasing rapidly in Ethiopia, the preference for improved food quality and safety has also been increasing and that consumers are willing to pay higher prices for quality and safety attributes of the products (Francesconi et al., 2010; Hoddinott, Headey, & Dereje, 2014).

The consumption habits and brand choices of the customers change following the changes in the life styles of the society, which in turn is affected by changes in global environment and economic and socio cultural developments. (Sanne, 2002). Furthermore, the traditional subsistence-based livestock farming is currently changing into business and market oriented production system. Following this, there are a lot of medium and large firms emerging in the dairy sector and beginning production, processing, packaging, retailing and distribution of dairy products in major towns in Ethiopia.

Although the Ethiopian dairy market remains extremely thin and volatile, the commercialization of processed dairy products through supermarkets is expanding and is expected to keep doing so in the foreseeable future. Increasing urbanization and corresponding changes in consumer preferences, behavior and purchasing power are the identified causes for the rise of supermarket-processor dairy chains. The emerging dairy chains provide new market opportunities to Ethiopian farmers, but the existence of retail-industrial monopolies and monopolies jeopardize farmers' economic benefits to a great extent.(Francesconi et al., 2010)

## 1.2. Operational Definitions

**Dairy Products:** According to the definition stated in the Wikipedia, the free encyclopedia (<http://en.wikipedia.org/wiki/Dairy>), the following narration was made about the definition of a dairy product. “A dairy product is food produced from the milk of mammals. A production plant for the processing of milk is called a dairy or a dairy factory. Dairy farming is a class of agricultural, or an animal husbandry, enterprise, for long-term production of milk, usually from dairy cows but also from goats, sheep and camels, which may be either processed on-site or transported to a dairy factory for processing and eventual retail sale. A dairy is a business enterprise established for the harvesting or processing (or both) of animal milk – mostly from cows or goats, but also from buffaloes, sheep, horses or camels – for human consumption. A dairy is typically located on a dedicated *dairy farm* or in a section of a multi-purpose farm (mixed farm) that is concerned with the harvesting of milk”. The dairy products in this study are fluid milk, powdered milk, yoghurt, butter and cheese. Otherwise the term dairy product goes on to include other products like cream and others.

**Outlet shops:** An online business dictionary (<http://www.businessdictionary.com/definition/retail-outlet.html>) defines a retail outlet as “A store that sells smaller quantities of products or services to the general public. A business that operates as a retail outlet will typically buy goods directly from manufacturers or wholesale suppliers at a volume discount and will then mark them up in price for sale to end consumers”. In this study outlet shops are the stores of varying scale (hyper markets, super markets, mini markets and kiosks) selling dairy products in Addis Ababa, the capital of Ethiopia.

## 1.3. Statement of the Problem

Although there are a number of studies with regard to dairy production systems in Ethiopia, the research on marketing of the dairy products is in its infancy. Particularly, there is a knowledge gap with regard to consumer preferences to dairy brands in relation to the observed dynamic change in consumers’ demography, economic and socio-cultural situations in the country. Little is known about how changes in consumers’ demography, economic and socio-cultural circumstances affect consumers’ buying behavior of the different brands of dairy products. The current government is pushing towards improved livestock production system which includes market oriented dairy production. To this effect, dairy oriented mass synchronized artificial insemination program across the country is taking place at the moment. This is expected to

boost the dairy production in the country within few years. However, there is no information on the determinants of customers' preference to the different brands of dairy products in Ethiopia. Business firms in the dairy industry (both on the production and marketing sides) in Ethiopia need evidence based information on the trend in customers' behaviors so as to make informed decision during designing and updating their marketing and branding strategies. This research is motivated with the assumption that the increasing number of competitors in the dairy industry and the changes in the consumers' life style, demography, economic and social status stimulates the change in consumers' behavior towards brands. The knowledge with regard to brand choices of dairy products could help designing competitive marketing strategies that cope with current changes in consumers' behavior market competition. The information will be useful for firms to understand the ever changing behavior of their customers and those factors influencing their behaviors so that they continually adjust their brand marketing strategies.

#### 1.4. Research Questions

It has been understood from literature search and other secondary information sources that there are information and knowledge gaps in the area of customers' brand preference for dairy products in Ethiopia to support marketers of dairy products so as to address the dynamic changes with consumers' behavior. In order to address the identified gaps the following research questions have been developed to undertake the study.

1. To what extent does the variation in demographic (age, education, income, gender, marital status, household size, nationality) variables affect the consumers' dairy product purchase pattern?
2. To what extent do the social factors (family, friends, and food habit of society) influence consumers' purchase decision for dairy products in Addis Ababa?
3. To what extent does the food habit of the society affect the purchase decision of consumers of dairy products in Addis Ababa?
4. Is there any significant difference between consumers in Addis Ababa who switch and who do not switch dairy brands with regard to demographic, socioeconomic and marketing variables?

5. To what extent do the demographic, socioeconomic and marketing variables affect brands switch decisions of consumers of dairy products in Addis Ababa?
- 1.4. Objective of the study

## 1.5. Objectives of the Study

### General Objective

The general objective of this study was to assess the extent to which changes in the different demographic, social, and marketing variables affect the consumers' brand choices for dairy products in Addis Ababa outlet shops.

### Specific Objectives

1. To explore consumers' purchasing decision, perceptions and preferences for various types of dairy products and brands
1. To examine the influence of demographic factors on purchase pattern of dairy product consumers in Addis Ababa outlet shops
2. To assess the influence of outlet shop characteristics on the purchase decision of dairy product brands consumers in Addis Ababa outlet shops
3. To determine the importance of various product and brand attributes in influencing brand switch decisions for dairy products in Addis Ababa

## 1.6. Significance of the Study

Currently, Ethiopian government is implementing Agricultural Growth Program (AGP). The government among others has given priority to the livestock sector to seize ample market opportunity in domestic and foreign markets. Supply of quality products which can satisfy consumers' emerging and increasing needs is paramount to ensure sustainable growth of the dairy industry. Up-to-date information about the variables influencing consumers' dairy product brand choices and brand switch decisions is required to make informed decisions.

Therefore the findings of this study:

1. Inform current business firms engaged in dairy product marketing to understand their customers and the variables affecting brand choices and brand switch decisions
2. Inform the future business firms to understand the dynamism of the dairy sector and the variables influencing the changes. The findings also inform prospective firms that there are ample opportunities in the sector and there are a number of consumers' un-met needs in the dairy sector. This has been observed from the results indicating that consumers are dissatisfied with the level of the quality of the dairy products they purchase and availability of the products is very scarce at the moment.
3. Policy makers can make use of the information to adjust the policy dimension with regard to perishable. The majority of respondent customers complained a lot about adulteration of the fluid milk with water. This information is very crucial for the government as management of food products, especially perishable products has to improve.

### 1.7. Scope of the Study

The study has been conducted between the months of May- June, 2015 in Addis Ababa, the capital city of Ethiopia and is limited to twelve outlet shops of varying scales (hyper markets, super markets, mini markets and kiosks) selling dairy products and their Ethiopian urban customers and key informants. Foreign customers were excluded during the pretesting stage of the survey due to their involuntariness. Conceptually, it is limited to exploring the purchase pattern for dairy products over the past three years and assessing the demographic, marketing and social factors affecting consumers' brand choices and brand switch decisions for dairy products. The dairy products under study are limited to fluid milk, powdered milk, butter, cheese and yoghurt.

### 1.8. Limitations of the Study

Financially, the study has been conducted with the researchers own resource and hence was not possible to extend the survey beyond the 300 respondents among the customers of the 12 selected outlet shops selling dairy products. Time has been another limitation for the study.

As the study was conducted in Addis Ababa with huge geographical coverage, to reach each of the randomly selected outlet shops has been very difficult with the current traffic congestion. The changes in the dependent variables due to the listed independent variables assume all other things remain constant; which means the change in factors other than the independent variables in the study also may cause change in the dependent variable. Therefore, the change in the dependent variables may not be attributed to only the independent variables under the study. Due to the scope and purpose of the current study, further investigation of other variables is left for future research.

### 1.9. Outline of the Paper

This section of the chapter outlines the major components (chapters) of the paper and draws a logical order for ease of reference. The whole paper is divided in to five main chapters. Chapter one (this chapter) explains the background of the study including the study site, statement of the problem, research questions, objective, and theoretical framework. In chapter two, review of related literature in the area of brands and dairy product market experiences is presented. Chapter three highlights the description of research methodology that has been used to conduct the study. In chapter four data collect overall research methods including the research concept, the research approach specific to this particular study, sampling frame and sampling techniques, data collection tools and methods of data collection and analyses are explained. Chapter four discusses the results of the study including the major findings and relates to the research questions stated in chapter one. Chapter five contains conclusions and recommendations as per the findings of the study and the implications to business people and policy makers and points out future research area.

## CHAPTER TWO

### REVIEW OF RELATED LITERATURE

This chapter contains ideas relevant to the topic of the study from past research works. Research findings and conceptual knowledge from past and present works are reviewed and cited.

Accordingly, literature around branding in general and dairy products in particular, factors influencing consumers brand choices and conceptual framework for this study are part of this chapter.

#### 2.1. Branding

According to Ambler and Styles (1996), brand includes all elements of the marketing mix. They further explain the importance of brand to firms in attracting new customers, representation of legal property, influencing customer behavior, means on identification, and source of competitive advantage. The business of marketing has evolved from the traditional product centered approach to the emotional and the human spirit centric approach at the present business world. The connection of brands to the human spirit aspires for brands which satisfy the needs with consideration of environmental safety, social norms and culture in addition to the traditional needs of the marketing elements.

Chimboza and Mutandwa (2007) explained the emotional function of a brand as to evoke a set of associations and furthermore symbolize the consumer's persona through brand imagery.

However, they made reference to Marketing in a Global Economy Proceedings, (2000) to explain that this and other definitions of a brand fail to capture the essence of what branding involves or achieves. In order to be successful, images and symbols must relate to and indeed exploit the needs, values and lifestyles of consumers in such a way that the meanings involved give added values, and differentiate the brand from other brands (Broadbent and Cooper, 1987).

Ambler and Styles (1996) describe two different views of defining a brand. The first is the product plus view, when the brand is seen as an addition to the product, and in this view a brand is also called an identifier. The second is the holistic view that communicates the focus on the brand itself that is considered to be much more than just the product.

As a brand is such an imperative section of the total marketing process, marketers and business firms are always in the process of continual research and identification of the different brand features which their present and prospective customers would like to achieve.

There are many ways to ensure success with branding. Choosing the right name, using the right advertising, applying the best strategy, and using the most relevant application techniques are some ingredients needed to make a branding effort successful. As stated earlier, this is not an easy function. Brand owners and marketers must deal with the changing environment and other factors that affect their ability to be effective. . The brand distinguishes a product from its unbranded counterpart through the sum total of consumers' perceptions and feelings about the product's attributes and how they perform. In other words, the brand itself means something to consumers. In practical terms, what this means is that the identity of the product that is branded becomes clearer to both the manager and the consumer (Jevons, 2005)

Companies should promote their alliance to assure potential customers of the quality of thier products.  
(Ahmed et al., 2004)

## 2.2. Establishing Brand Identity

Brand identity is a unique set of brand associations implying a promise to customers and includes a core and extended identity. Core identity is the central, timeless essence of the brand that remains constant as the brand moves to new markets and new products. Core identity broadly focuses on product attributes, service, user profile, store ambience and product performance. Extended identity is woven around brand identity elements organized into cohesive and meaningful groups that provide brand texture and completeness, and focuses on brand personality, relationship, and strong symbol association (Ghodeswar, 2008).

To be effective, a brand identity needs to resonate with customers, differentiate the brand from competitors, and represent what the organization can and will do over time (Aaker & Joachimsthaler, 2000). To excel, a brand image must be well planned, nurtured, supported, and vigilantly guarded (Knapp, 2000). One key to successful brand-building is to understand how to develop a brand identity – to know what the brand stands for and to effectively express that identity (Aaker, 1996).

A set of brand associations enable a brand to develop a rich and clear brand identity. While some customers may attach greater importance to functional benefits, emotional value helps the brand stand above others. Building brand associations requires a company to understand its brand as well as competitors' brands through customer research. Customer research should study existing and prospective customers, former customers, industry experts, and intermediaries. Brand strengths associated with beliefs and values are the most powerful and most difficult to imitate. Brand image is the perception in the mind of the customers about the brand and its associations. (Ghodeswar, 2008).

A well-conceived and well communicated brand identity contributes to building brand equity. (Madhavaram, Badrinarayanan, & McDonald, 2005)

Brand image refers to consumer perceptions and encompasses a set of beliefs that consumers have about the brand. Brand identity and brand image are related but distinct concepts. Both are essential ingredients of strong brands. A firm can enhance brand loyalty by ensuring that there is congruence between brand identity and brand image. (Nandan, 2005)

Meaningful brand names continue to be evaluated more favorably than non-meaningful names, even after repeated exposure, but that evaluations of non-meaningful brand names may improve at a greater rate than those for meaningful brand names. The brand names also influence evaluations of quality and other product attributes. (Kohli, Harich, & Leuthesser, 2005)

Developing and maintaining a consistent brand statement is an important aspect of developing a successful product. However, maintaining that statement is difficult due in part to the inconsistent and often insufficient understanding of brand by marketing, engineering, and industrial design. (McCormack, Cagan, & Vogel, 2004)

In the context of increasingly interchangeable product and service offerings, brands are crucial drivers for product purchasing and usage decisions. Thus, they constitute a substantial intangible asset for most companies. In order to maximize this asset, current research has developed various brand equity models. However, the majority of these base their approach on an outside-in perspective by focusing on buyer perceptions of the brand and their related buying behavior. An integrated approach including for example employees as an important internal source of brand equity, has so far received little attention. (Burmam, Jost-Benz, & Riley, 2009)

### 2.3. Positioning the Brand

Ghodeswar (2008) describes positioning as related with creating the perception of a brand in the customer's mind and of achieving differentiation that it stands apart from competitors' brands/offerings and that it meets the consumer's needs/expectations. The marketer should always plan to create the desired perception in the target consumer's mind. A manufacturer's existing brands are potentially vulnerable to successful new brands from competitors. It is, therefore, in the manufacturer's interest to maintain the relative functional excellence of its existing brands. This means continuously upgrading their performance. Brand loyalty may be

viewed as a link in the chain of effects that indirectly connects brand trust and brand affect with the market performance aspects of brand equity (Chaudhuri and Holbrook, 2001).

Crucial relationships exist between the customer and the brand, between the customer and the firm, between the customer and the product in use, and among fellow customers. The authors delve ethnographically into a brand community and test key findings through quantitative methods. (McAlexander, Schouten, & Koenig, 2002)

Brand credibility increases probability of inclusion of a brand in the consideration set, as well as brand choice conditional on consideration. Although credibility impacts brand choice and consideration set formation more and through more constructs in contexts with high uncertainty and sensitivity to such uncertainty, credibility effects are present in all categories. Finally, our results indicate that trustworthiness, rather than expertise, affects consumer choices and brand consideration more. (Erdem & Swait, 2004)

The effectiveness of consistency among messages depends on brand familiarity. For familiar brands moderately consistent messages improve their awareness (recall), enrich their network of associations, and generate more favourable responses and brand attitudes. However, for unfamiliar brands, no significant differences are found between high and moderate levels of consistency, except for brand recall, being higher when highly consistent messages are used. (Delgado-Ballester, Navarro, & Sicilia, 2012)

Brand equity and price premium focusing on the grocery sector specifically highlights the role of uniqueness, together with the four traditionally basic dimensions of brand equity proposed: awareness, qualities, associations and loyalty. Relevant brand associations (origin, health, environment/animal friendliness, organizational associations and social image), and quality attributes (taste, odor, consistency/texture, appearance, function, packaging and ingredients) specific to groceries are identified and proposed for future measurement scales and model validating research. (Anselmsson, Johansson, & Persson, 2007)

Quality is a significant determinant of price premium, but adding other image dimensions doubles the predictability and understanding about price premium. The strongest determinants of price premium are social image, uniqueness and home country origin. Other significant

determinants are corporate social responsibility (CSR) and awareness. (Anselmsson, Vestman Bondesson, & Johansson, 2014)

Brands are symbols that customers have learned to trust over time. Brands are constructed by firms, intentionally or unintentionally, and communicated to others through a firm's products and marketing activities. (Campbell, Papania, Parent, & Cyr, 2010)

## 2.4. Customers' Brand Perception

According to Sylvia and Wallpach (2009) what consumers know about a brand will influence their reaction when confronted with brand-related stimuli (e.g. a branded product, a brand user, a category). Although brand knowledge is an important topic in the branding literature, there is little evidence how brand knowledge and consumer response are related (Del Rio et al., 2001).

One of the major problems companies face in the marketplace is a gap between corporate brand values as perceived by the customers and the corporate brand values declared as such by the management. One possible cause for that gap is the situation in which companies transfer to their customers corporate brand values that are different from their actual corporate values and culture. Such a difference is perceived by their employees as a lie that causes them to feel a lack of identification with the corporate brand and an unwillingness to support it adequately. As a consequence the customers feel mistrust towards the corporate brand, which results in a weakened brand. (Yaniv & Farkas, 2005)

A growing body of research suggests that consumers have relationships with brands that resemble relations between people.(Kervyn, Fiske, & Malone, 2012). In markets where product quality is not easily observable, consumers rely on available product cues to infer product quality and cope with uncertainty in their decision making. Consumers are generally exposed to multiple-quality cues, which seldom operate in isolation. (Akdeniz, Calantone, & Voorhees, 2013). Consumer behavior analysis is based on consumer's buying behavior. It aims at improving business performance through an understanding of the customer's preferences and desires. In today's world of growing competition where there are numerous brands selling the same products, consumers have an abundant number of choices and many diverse factors influence their buying behavior.(Kumar & Babu, 2014).

## 2.5. Factors Influencing Customers' Brand Preferences

Consumers preferred a major national brand with a large market share to the other types of brands including store brands. Quality of products is a major issue and parents care about the nutritional content of milk products. (Lonca, 2010).

There are several reasons that can lead an individual to shop for the organic version of a food product. Hughner et al. (2007) compiled different findings on organic food and they concluded that organic shoppers are not homogenous in demographics or beliefs. They searched for studies in organic food published from 1985 to 2005. They had to sort their findings because organic was cited in numerous studies.

Hughner et al. (2007) stated that the consumers' understanding of what organic means is crucial for researchers to study shopping behaviors. Davies, Titterington, and Cochrane (1995) looked at organic purchasers in Northern Ireland. They found that many shoppers are not familiar with organic farming practices and standards. Food safety issues have greatly changed Chinese consumer choices, thereby transforming the dairy sector itself, particularly in their preference for imported milk powder. Upper and middle class parents prefer to pay higher prices for imported products (infant formula in particular) which they consider safer and better. A study made in China, indicated that increasing demand for milk powder of foreign brands has spurred Chinese' overseas bulk-buying. Chinese consumer preference for imported products has also encouraged more and more dairy companies to build processing factories overseas (Sharma and Rou, 2014).

With respect to food, there is a considerable amount of risk involved whenever we ingest something. The brand's function is to overcome this danger which explains the importance of brands in the food market. This is the reason why in Europe, the markets for tinned vegetables, milk, orange juice, frozen pizzas, mineral water, kitchen roll, toilet paper are dominated by the distributors' brands. (Boniface & Umberger, 2012). Consumer is a person who buys or uses things (goods) or services. Marketers are the persons who provide these services. The most challenging questions for marketers are why buyers do what they do (or don't do). Such knowledge is critical for marketers, since having a strong understanding of buyer's behavior will shed light on what is important for the consumer and also suggest the important influences on consumer decision-making. Factors affecting consumers' buying decisions are extremely

complex. It is deeply rooted in psychology with dashes of sociology thrown in just to make things more interesting. It explains the influences on the consumer from groups such as family, friends and society in general. Consumers' buying behavior result from deeply held values and attitudes, their perception of the world, their place in it, from common sense, from impulse or just plain take. (Kumar & Babu, 2014)

## 2.6. Brand Marketing of Food Products

The soaring rates of dietary-related diseases have increased the need for interventions in consumers' healthy eating behavior. The two main avenues followed so far have focused on either making consumers change their food choices or improving the nutrition content of food products. Both avenues are said to have limitations since consumers often base their choices on heuristics that simplify their choices, such as brands. Therefore, branding is considered an important tool in communicating the value of health and contributing towards healthier food choices. However, branding a food product based on the value of health is not an easy practice as strategies employed may often fail to convey the value of health.(Chrysochou, 2010)

The types of retail outlets in which low-income groups tend to shop do not carry many own brand items and is less likely to stock healthy options, but when they do, they are more expensive than in other outlets. Single parents with one child, two adults with two children and single older people would have to spend 80%, 69% and 38%, respectively, of their weekly household income to purchase the food basket based on economy-line products. Financial access to and availability of healthy food options must be considered through a national policy cognizant of basic human needs for healthy living. This research provides evidence on the direct costs of healthy eating for policy and planning to ensure not only financial capacity but also to guarantee that affordable healthy food choices are physically available to all groups in society. (Friel, Walsh, & McCarthy, 2006).

The study conducted in China in 2010, analyzed how consumers in Beijing determined milk safety when they purchased liquid milk using survey data conducted just before the melamine-contaminated infant formula event was disclosed. Milk brand and purchase venue, on average, were ranked as the first two important safety indicators in fluid milk purchases, suggesting that China's milk safety regulators should put more monitoring resources toward supervising the safety of milk produced from branded firms and milk sold in ostensibly trustable stores and not

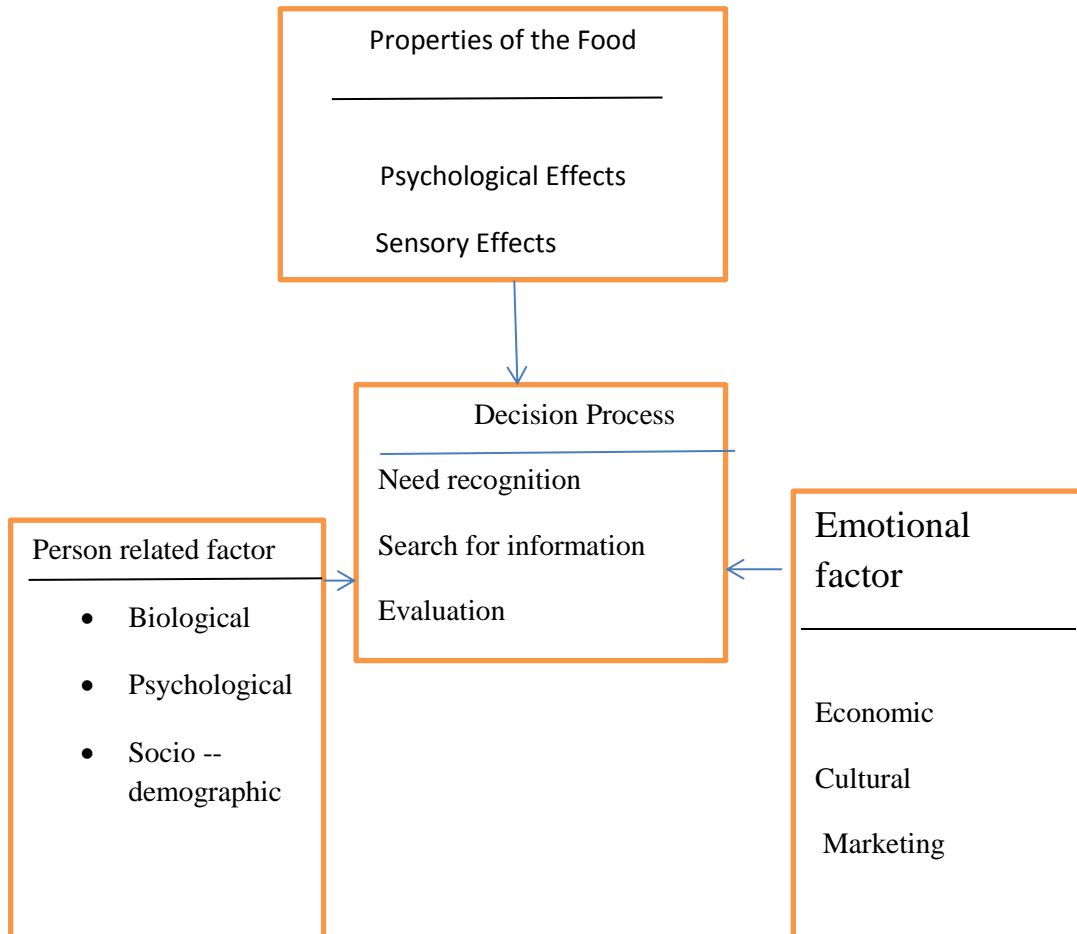
allow exemptions to inspections. Meanwhile, the findings of this study indicate that the existing milk safety certification system in China might be significantly inefficient, suggesting potential waste of regulatory resources. (Zhang, Bai, Lohmar, & Huang, 2010)

## 2.7. Conceptual Framework

Food has a central position in the life of consumers. It has a nutritional and hedonic experience it serves social and cultural functions and accounts for a major share of consumers' expenditure. Part of the difficulty in conducting research in this important area lies in the complexity and diversity of influences in food choices and consumptions and that such research requires insight from a wide range of science and disciplines. (Steenkamp, 1997)

Consumers brand choice for food items requires a great deal of effort and thought from the side of the consumer and so it has to be so with the producers, distributors and shop keepers. Dairy products especially due to their perish ability nature require double thinking by all attached to it before committing resources

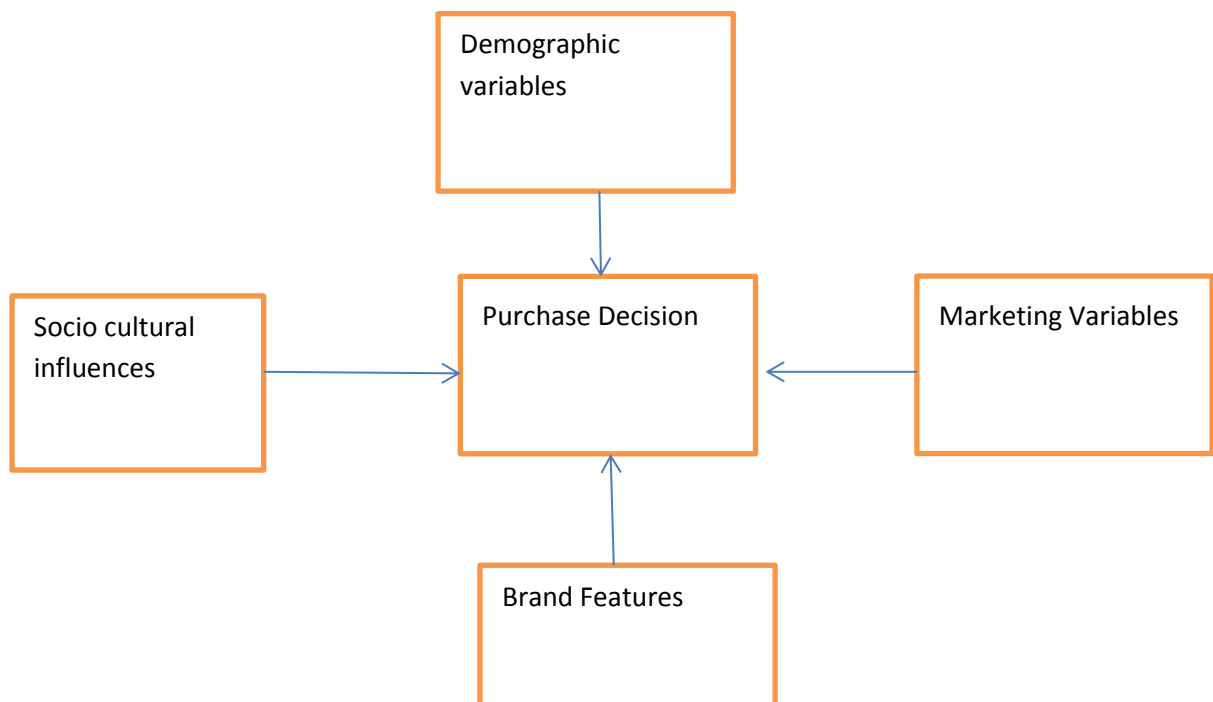
**Figure 1. Conceptual model for consumer behavior with respect to food** (Marshall & Rossman, 2010)  
(Steenkamp, 1997)



Consumer food handling behavior is important in preventing food borne disease and this paper proposes examining consumer behavior and knowledge concerning food storage and disposal. Consumers deal with meat and dairy products relatively hygienically, but the storage of products in other categories is more likely to lead to risks; especially because of high storage temperatures. The study also shows that the elderly handle food differently from younger people. (Terpstra, Steenbekkers, De Maertelaere, & Nijhuis, 2005)

This research bases itself in the foundational theories with regard to consumers' purchase decision for food brands especially dairy brands from the demographic, sociocultural, marketing and brand features.

**Figure 2. Conceptual framework for the current study**



## CHAPTER THREE

### RESEARCH DESIGN AND METHODOLOGY

A combination of exploratory, descriptive and explanatory methods was employed to undertake the study. The reason for using a mixed approach was that the topic of the study is new to the study area and as such there is limited information around the subject matter and hence first it has been necessary to carry out exploratory research using semi-structured and open ended questions to key informants. Then describing the existing phenomena with regard to dairy product purchase pattern by the different classes of the shop customers has become a necessity. The next step has been explaining the relationships between the different customer, brand and marketing variables and the brand switch decisions and brand choices of the customers.

#### 3.1. Research Site

The study was conducted in Addis Ababa, the capital city of Ethiopia during April to June, 2015. According to the 2008 census, Addis Ababa's population is estimated to be 3,384,569. It has been understood from the secondary data obtained from the trade and industry office of the city that there are over 4000 outlet shops of varying scales (hyper market, super markets, mini markets and kiosks) selling different commodities in Addis. Some of these outlet shops sell dairy products but there is no record of shops selling dairy products specifically. The rationale behind choosing Addis Ababa for the study is that Addis Ababa consists of citizens from all the regions in the country comprising people from different social and economic backgrounds. Another reason for selecting Addis Ababa is that it is relatively easier for the researcher to reach the study units with limited financial and time resources.

### 3.2. Sampling Frame

The sampling frame for the study was two-fold. The first sampling frame was the outlet shops in Addis Ababa which are estimated to be 4000. The outlet shops are categorized in four distinct levels: Hyper markets, super markets, mini markets and small shops or kiosks. The basis for the categorization is mainly their capital levels. Hyper markets are those with a paid up capital of up to Birr 100, 000 000.00; super markets with a paid up capital of Birr 10, 000 000.00; minimarkets with a paid up capital of Birr up to 5 000 000.00 and kiosks which can have a capital of as low as hundreds of birr.

The second level of sampling frame is the customers of 12 selected outlet shops. As it is difficult to count the number of customers of each outlet shop and there is no registered record of the customers with the outlet shops, this sampling frame is in the category of infinite or unknown population.

### 3.3. Sample Size Determination

12 outlet shops were selected from the four categories in Addis Ababa. Three samples from each of the four categories of the outlet shops were sampled to represent the different levels. A total of 304 customers visiting the selected 12 outlet shops in a particular day were selected using a non-probability sampling; namely, convenience (mall intercept) sampling because the sampling frame is unavailable.

Justification for sample size determination: It is evident that the larger the sample size the better the precision of the data and the inferences made. Nonetheless, due to time and financial resources limitation it has been necessary to take limited number of samples for the current study. The maximum likelihood estimation (MLE) model suggests that a sample size starts from 200 respondents. However, for the current study a sample size 300 valid responses has been achieved.

### 3.4. Sampling Methodology

For the current study, secondary information from Addis Ababa City Trade and Industry Office was sought to obtain the list of outlet shops in Addis Ababa. Outlet shops were then categorized based on their scale (Hyper markets, Super markets, Mini markets and Kiosks). Stratified random sampling method was applied to select outlet shops from each category. A total of twelve (12) outlet shops (3 samples from each stratum) were selected. The reason for stratified sampling was that the outlet shops in Addis Ababa are not homogenous in scale. They are categorized in four different groups based on their capital. Therefore, in order to ensure representativeness of the sample to the overall shops, it has been mandatory to take stratified samples from the different levels of the outlet shops.

Mall-intercept convenience sampling was used to sample customers of the 12 outlet shops for the customer response survey. There is no written record of the customers of the selected outlet shops which created limitation to determination of sampling frame. In such circumstances when it is hard to reach the target population, mall-intercept process allows for both quantitative data collection and the ability to qualitatively hear what respondents have to say. Though mall-intercept sampling is a non-probabilistic method its results can be triangulated with other data. In this study the source sample from which the customers were sampled has been done by stratification and data was collected from sellers of dairy products in the selected outlet shops as well in order to substantiate the information from both sides.

### 3.5. Data Collection Tools and Methods

Structured and semi structured questionnaire comprising both close-ended and open-ended questions was prepared both for the selected outlet shops and customers of the selected outlet shops. Explanatory variables consisting of demographic, socio-economic and marketing elements were included and responses were captured with “yes” or “no” and five-point Likert scale. The main reason for employing this method of interviewing was to provide exactly the same context of questioning to all respondents. Given that replies of the respondents are in the response to identical interview inducements, the interviewees’ responses can then be aggregated. Furthermore, it reduces error due to variation in the questions asked. This method of interviewing also ensures greater accuracy and an easier way of processing the respondents’ answers.

Face-to-face interview using the prior developed questionnaire has been made by the researcher to each individual interviewee. The respondents from the outlet shops were contacted during their off-office hours (break hours) to ensure un-dividedness of mind during the interview. The customers of the shops were contacted at the shopping center (after the shopping and during tea/coffee recreation times). The main reason of using the face-to-face interview was that this method provides greater valid responses within limited time span as compared to other methods. More importantly, it allows the researcher to explain questions and adjust as necessary. It also helps to read the body language of the respondent during the interview which is the most important variable of communication.

### 3.6. Ethical Considerations

The researcher has made clear to the respondents that their response information is only for academic purpose and it will not be used otherwise. Respondents who were not willing to respond were forgiven with thanks.

### 3.7. Data Analysis

SPSS (Statistical Package for Social Sciences) and STATA software were used for data entry and analyses. SPSS is a widely used program for statistical analysis in social science. It is also used by market researchers, health researchers, survey companies, government, education researchers, marketing organizations, and data miners. Source:

<http://en.wikipedia.org/wiki/SPSS>. Basic descriptive statistical analysis was made to quantitatively describe the main features including customers' demographic characteristics and their purchase and brand preference patterns and brand switch decisions for the different dairy products. The descriptive analysis method has been used due to its importance to summarize the overall characteristics of the sample and its tendency towards the specified variables as this study explores first the situation before embarking on inferential analysis. A binary regression logistic model was used in this study where the dependent variables are limited to two alternatives for a simple "Yes" or "No" responses representing consumers who have been buying or do not buy dairy products since the past three years; purchase volume for the dairy products in the past three years increased or decreased; purchase decision is affected or not affected by social factors; brand switch decision is affected or not by different marketing, socio economic and customer demographic characteristics. Ordered logistic regression model was used to analyze responses captured using five point Likert scale for questions asking the level of agreements if shop characteristics, product attributes and marketing variables affect brand switch decisions. The logistic regression model (logit model) was used for its robustness and for the model to operate, the independent variables don't have to be normally distributed, or have equal variance in each group. It does not assume a linear relationship between the independent variable and dependent variable.

## CHAPTER FOUR

### RESULTS AND DISCUSSION

This chapter presents the results of the study in their logical order starting from the demographic characteristics of the respondents and continues to describe the prevailing purchase decisions and patterns as related to the different variables in the study. The different variables related with customer, marketing and brand characteristics which have major influence on the purchase decision, purchase pattern and brand switch decision for dairy products are pointed out in the chapter. The discussion part includes the implication of the findings and suggestions to the major players in the dairy sector of the food industry.

#### 4.1. Demographic Characteristics of Sample Respondents

Seven main demographic variables namely: Age, gender, marital status, educational level, occupation, family income and number of family members have been used to represent the different demographic characteristics of the respondents.

From the total 304 respondents 30.6% of the respondents were at the age of 31-40 years, 28.6% at the age of 21-30 years, 27.6% were above the age of 40 years and the rest 12.2% were at the age of below 20 years. The majority of the respondents were at the age of 31-40 years .With regard to gender, 51% of the respondents were male and 47% were female this indicated that most of the respondents were male.

From the marital status data collection we observed that 57.6% of the respondents were married, 39.5% were unmarried and 3% of the respondent did not give any response to the question so it was a missing system. The data implied that most of the respondents were married and have family.

Educational qualification is one way of expressing a person's background history. 43.4% of the respondents educational qualification was degree/diploma, 39.1% were high school students, 10.2% were professionals and the rest 5.9% were in read and write category.

**Table 1: Percentage of respondents by demographic categories**

Demographic Variable	Category					
	Age (years)	≤ 20	21-30	31-40	> 40	
%	12.2	28.6	30.6	27.6		
Gender	M	F				
%	52	48				
Marital status	Married	Single				
%	59.3	40.7				
Educational level	Read and write	High school	Degree/Diploma	Professional		
%	6.0	39.7	44.0	10.3		
Occupation	Student	business	Employed	housewife	unemployed	Retired
%	15.4	29.4	42.8	11.0	.3	1.0
Family Income (Birr/month)	≤ 5000	5000-10000	10000 - 20000	> 20000		
%	40.9	29.4	19.8	9.9		
No. of family members	≥ 2	2-4	4-6	>6		
%	20.7	39.8	28.3	11.2		

From the occupational point of view 42.1% were employed, 28.9% business people, 15.1% students, 10.9% were house wives, retired and unemployed accounts 1.0% and .3% respectively. But from the data we can conclude that most of the respondents were employed.

Monthly income range includes 40.8% of respondents earn up to Birr 5,000, 29.3% earn Birr 5,000 to 10,000, 19.7% earn Birr 10,000 to 20,000 and 9.9% earn birr above 20,000 per month at household level.

Regarding family size 39.8% responded they have 2 to 4 family members, 28.3% 4 to 6, 20.7% have family members up to 2 and the rest 11.2% have above 6 members in their families.

## 4.2. Data Analyses Relevant to the Study

### 4. 2. 1. Description of Purchase experience, purchase pattern, store preference and brand switching decisions of consumers of dairy products

The respondents were asked if they did ever purchase fluid milk, yogurt, butter, cheese and powdered milk from outlet shops in Addis Ababa in the past three years. As shown in table 2 below, 94.1% responded that they purchased fluid milk and 5.9% did not purchase fluid milk in the past three years from Addis Ababa outlet shops. 75% responded they purchased yogurt and 25% did not purchase, 87.2% purchased butter and 12.8% did not purchase, 78.6% purchased cheese and 21.4% did not purchase and 48% purchased powdered milk and 51% did not purchase powdered milk in the past three years from outlet shops in Addis Ababa.

The findings of the study about the purchase pattern of the different dairy products (fluid milk, powdered milk, butter, cheese and yoghurt) imply that the demand for dairy products is increasing with the economic growth of citizens and population growth especially in the urban areas of Ethiopia

**Table 2.** Dairy Product purchasing pattern of customers from Outlet Shops: Proportion of respondents purchasing different dairy products

Purchasing decision	Proportion	Std. Err.	[95% Conf. Interval]	
Purchase fluid milk				
Yes	0.94	0.01	0.91	0.97
No	0.06	0.01	0.03	0.09
purchase yogurt				
Yes	0.75	0.03	0.70	0.80
No	0.25	0.03	0.20	0.30
Purchase butter				
Yes	0.87	0.02	0.83	0.91
No	0.13	0.02	0.09	0.17
Purchase cheese				
Yes	0.78	0.02	0.74	0.83
No	0.22	0.02	0.17	0.26
Purchase powder milk				
Yes	0.49	0.03	0.43	0.54
No	0.51	0.03	0.46	0.57

It has been pointed out in the study that the majority of the sample respondents in Addis Ababa replied that their consumption of dairy products (fluid milk, powdered milk, yogurt, cheese and butter) increased significantly in the past three years. It has also been noted from the secondary sources of information that there are many emerging business in the dairy industry both from the production/processing and the marketing side. This finding is consistent with past research works which pointed out the demand for meat and milk based foods will increase for the unforeseen future due to the driving forces including population growth, urbanization and growth in the income level of the consumers. (C. Delgado, 2005)

### Customer preference for store types to purchase dairy products

The respondents were asked to rank the store types in the order of preference from where they buy/would like to buy dairy products. Accordingly customers who would give their best preference for hyper market accounted for 19.7%, above average preference 6.9%, average 6.3%, below average 6.9%, least preferred 17.1% and missing systems were 43.1%.

**Table3.** Customer preference for store types to purchase dairy products

Store Type	Preference Ranks: Percentage of respondents ranking the different levels of preference				
	Best preferred	Above average preference	Average preference	Below average preference	Least preferred
Hyper markets	<b>19.7</b>	6.9	6.3	6.9	17.1
Super Markets	<b>40.5</b>	20.4	7.6	4.9	7.6
Mini markets	15.1	<b>17.1</b>	10.2	4.9	11.2
Kiosks	<b>33.6</b>	20.4	11.8	3.3	9.2
Others	<b>12.2</b>	4.3	3.3	.7	4.6

Customers who would give their best preference for super market accounted 40.5%, above average 20.4%, average 7.6%, below average 4.9%, least preferred 7.6% and missing systems were 19.1%. Customers who would give their best preference for mini market accounts 15.1%, above average 17.1%, average 10.2%, below average 4.9%, least preferred 11.2% and missing systems were 41.4%. Customers who would give their best preference for Kiosks accounted 33.6%, above average 20.4%, average 11.8%, below average 3.3%, least preferred 9.2% and missing systems were 21.7%. Customers who would give their best preference for other markets accounted 12.2%, above average 4.3%, average 3.3%, below average .7%, least preferred 4.6% and missing systems were 75%.

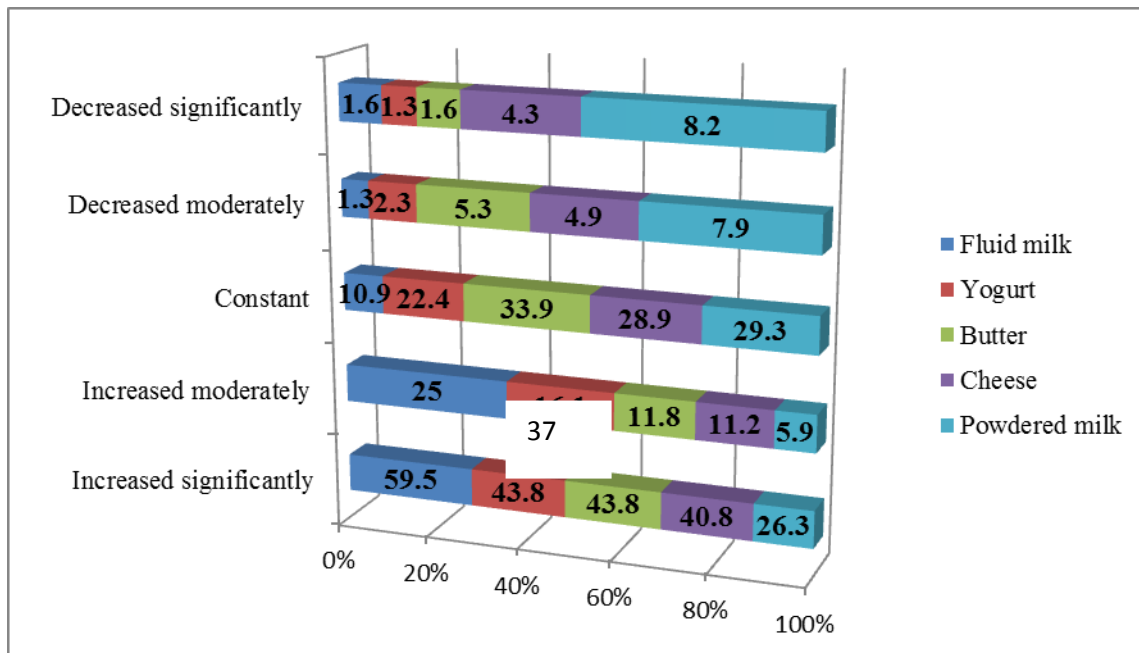
The findings indicate that most consumers purchase their dairy products from supermarkets and Kiosks. If we refer to the income level of customers in previous table above (Table 2), we can see that most of the customers belong to the income category of Birr  $\geq$ 5000 (40.9%) and Birr

5000 – 1000 (29.4%). Super markets are relatively more price attractive than hyper markets and sell better quality products than Kiosks. Consumers within the lower income grid opt to go for cheaper and accessible sources like kiosks and local suppliers of un-branded products while consumers who are better in terms of income and those who can afford to travel to super markets prefer to go there for shopping in search of better quality material. Since animal source foods are within the category of high quality food and more expensive than grain source foods, it is logical to observe from the study that only little proportion of the consumers go for hyper markets and the majority goes for cheaper sources compromising quality.

### Consumption pattern of customers of dairy products

According to the data collected, consumption pattern of the dairy products of the respondents were for fluid milk 59.5% increased significantly, 25% increased moderately, 10.9% constant, 1.3% decreased moderately and 1.6% decreased significantly in the past three years. For yogurt 43.8% increased significantly, 16.1% increased moderately, 22.4% constant, 2.3% decreased moderately and 1.3% decreased significantly in the past three years. For butter 43.8% increased significantly, 11.8% increased moderately, 33.9% constant, 5.3% decreased moderately and 1.6% decreased significantly in the past three years. For cheese 40.8% increased significantly, 11.2% increased moderately, 28.9% constant, 4.9% decreased moderately and 1.6% decreased significantly in the past three years. For powdered milk 26.3% increased significantly, 11.2% increased moderately, 29.3% constant, 7.9% decreased moderately and 8.2% decreased significantly in the past three years.

**Figure 3.**Consumption pattern of dairy products



For butter 43.8% increased significantly, 11.8% increased moderately, 33.9% constant, 5.3% decreased moderately and 1.6% decreased significantly in the past three years. For cheese 40.8% increased significantly, 11.2% increased moderately, 28.9% constant, 4.9% decreased

moderately and 4.3% decreased significantly in the past three years. For powdered milk 26.3% increased significantly, 5.9% increased moderately, 29.3% constant, 7.9% decreased moderately, 8.2% decreased significantly and 22.4% were missing system who did not give their answers.

As indicated in the above figure (Figure 3), the consumption for the majority of the products (fluid milk, butter, cheese, yoghurt) have increased significantly while the powdered milk consumption is somehow constant over the past three years. The findings reveal that the consumption habit for the dairy products in Addis Ababa is moving towards foods of animal origin which is driven by the lifestyle and economic development of the citizens. This creates great opportunities for business firms who want to engage in the dairy sector. As urbanization and infrastructure development is flourishing in the country, this trend of increased demand for dairy products at individual household level of all income categories ensures sustainable market for the industry.

#### Purchase frequency of dairy products by customers

Respondents were asked at what time interval frequency) they purchase the different dairy products. Time intervals (Daily, Few days in a week, Weekly, Bi-weekly, Monthly, Once in 2-3 months and not at all (if they did not purchase any product) were given as options for answers.

**Table 4.** Percentage of respondents by purchase frequency of dairy products

	Fluid milk		Yogurt		Butter		Cheese		Powder milk	
	N	%	N	%	N	%	N	%	N	%
Daily	163	54.88	8	3.09	3	1.02	-	-	2	0.8
Few days in a week	99	33.33	100	38.61	3	1.02	7	2.56	4	1.6
Weekly	15	5.05	48	18.53	6	2.04	20	7.33	4	1.6
Bi-weekly	11	3.7	53	20.46	12	4.08	94	34.43	3	1.2
Monthly	1	0.34	10	3.86	139	47.28	61	22.34	48	19.2
Once in 2-3 months	5	1.68	11	4.25	106	36.05	59	21.61	88	35.2
Not at all	3	1.01	8	3.09	25	8.5	32	11.72	101	40.4

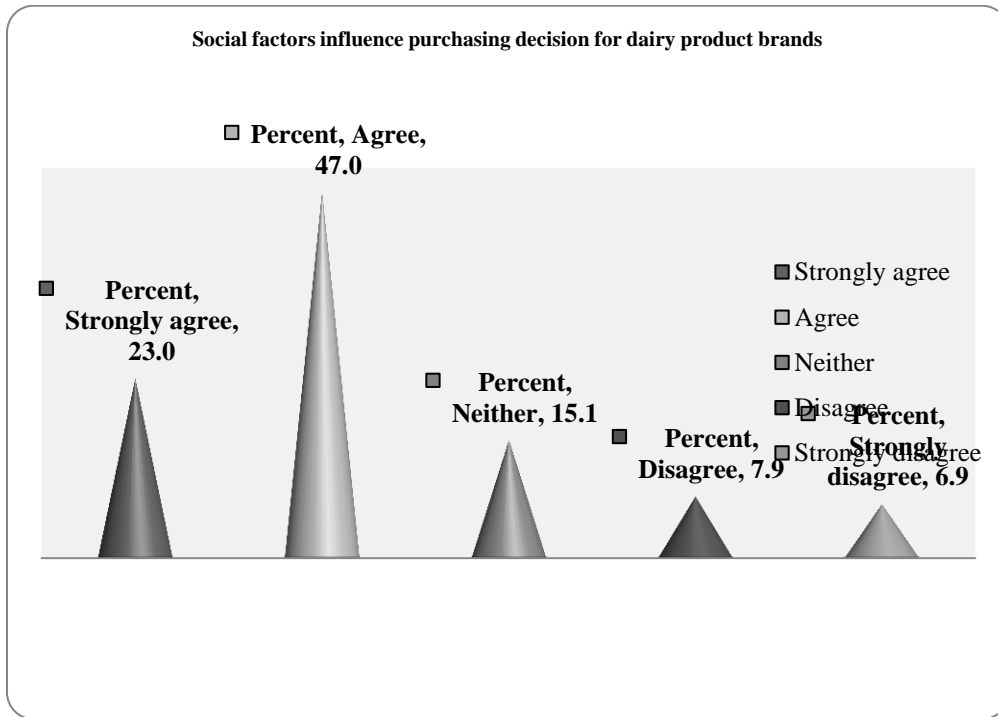
The purchase frequencies for the different dairy products varied among product types. Accordingly, customers who purchased fluid milk daily accounted for 54.88%, yogurt few days in a week accounted 38.61%, respondents who purchased butter monthly accounted 47.28%, who purchased cheese bi-weekly accounted 34.43% and respondents who purchased powdered milk once in 2-3 months accounts 35.2%.

The results of the study to investigate of the purchase frequency of customers for dairy products indicate that there is substantial market for fluid milk on a daily basis. This information is justified by the category of the respondents especially who are married and ultimately have children consuming fluid milk on daily basis. The possibility of selling fluid milk on daily basis reduces the cost of processing of the milk in to other dairy products but care must be taken to ensure effective sale out of the fluid milk daily which otherwise can lead to the risk of perish ability. It is observed from the results that the demand for powdered milk is lower as compared to that for fluid milk. This again is coupled with the positive response of the customers towards local taste of the products which could be realized from the fluid milk as opposed to the powdered milk. The findings help the producers as well as the sellers/distributors of the dairy products to schedule their production and distribution times for each type of dairy product for a given niche of the market.

**Consumption of dairy products by different classes of the family**  
Respondents were asked for the age classes of family members regularly feeding on the different dairy products. The different age classes in the interview question included: Adult men, Adult women, Young men, Young women, Children. The different dairy products fed to the family members included: Fluid milk, Yogurt, Butter, Cheese, Powder milk.

**Influence of social groups (family/friends) on purchase decision of diary product brands**  
The respondent customers were asked if their purchase decision for dairy brands is influenced by their friends and/or family members. Hey were asked to rank their agreement in a five point Likert scale (strongly agree, agree, niether, disagree or storongly disagree).

**Figure 4.** Customers’ agreement ranks of social factors influence on their purchase decision of dairy product brands

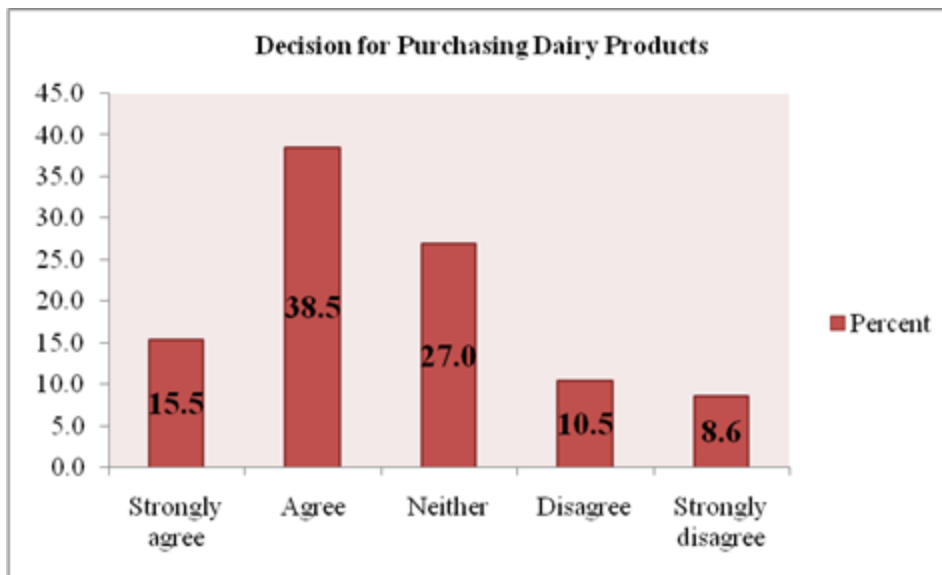


Social groups such as family, friends, and consumer’s social status might influence purchasing decision of customers for dairy product brands. According to the data collected 23% strongly agreed, 47% respondents agreed that the social factors influence their purchasing decisions, , 15% neither agreed nor disagreed and 7.9% and 6.9% disagreed and strongly disagreed respectively. This finding implies that the dairy product or brand choice of the consumers in Addis Ababa is affected strongly by the social influences from families and friends. Therefore, marketers of dairy products should focus on creating good will with the wider community and all categories of the consumer’s family within their market niche than limiting their strategy to specific groups. Promotion and other marketing mix elements should consider the social elements which could affect the purchase decision and brand switch decision of their customers.

## Influence of society's food habit on purchase decision of dairy product brands

The respondent customers were asked if their purchase decision for dairy brands is influenced by the food habit of the society they live in. They were asked to rank their agreement in a five point Likert scale (strongly agree, agree, niether, disagree or storngly disagree).

**Figure 5.**Customers' agreement ranks of decision for purchasing dairy products affected by the food culture of the society



Most respondents agree that their decisions for purchase of dairy products were affected by the food habit of the society where they live. From the data collected from a total of 304 respondents, 38.5% agreed that their decisions for purchasing of dairy products were affected by the food habit of the society they live. Out of the total data collected 27% neither agreed nor disagreed, 15.5% strongly agreed, 10.5% disagreed 8.6% strongly disagree about their decisions for purchasing of dairy products affected by the food culture of the society they live in.

This finding reveals the dependence of the Ethiopian dairy product consumers on the cultural norms of their society for consumption of dairy products. Ethiopia is a country with diverse cultural settings with over 80 different ethnic groups with their own respective culture. The attachment of the society with religious beliefs is also very strong. In relation to this, there are religious sects which ban consumption of foods of animal origin is specific days in a week and

during annual fasting times. This has a very strong influence on the consumption decision for dairy products. Therefore, it is imperative for the business firms, especially new entrants in to the industry to understand the norms and habits of their target market.

### Influence of shop characteristics and promotional variables on purchase decision of dairy products

**Table 5.** Shop characteristics and promotional variables influence on purchase decision for dairy products

Outlet Attribute	Rating				
	Strongly Agree	Agree	Neither	Disagree	Strongly Disagree
Scale of the outlet shop	9.2	32.2	37.5	7.2	12.2
Ambiance of the shop	16.1	41.1	35.5	3.9	1.6
Reputation of the shop	20.7	47.4	23.0	1.3	4.9
Service efficiency/speed	60.2	28.0	7.9	1.3	.7
Product availability	51.3	43.1	2.6	.3	.7
Product variety	29.9	57.2	9.2	1.6	-
Product price	46.1	27.3	22.0	.7	2.6
Advertisement	15.8	25.0	35.5	9.9	10.5
Accessibility	44.1	42.1	7.9	2.3	.3
Sales promotion (discount, Coupon, etc.)	6.3	16.1	59.2	8.9	7.2

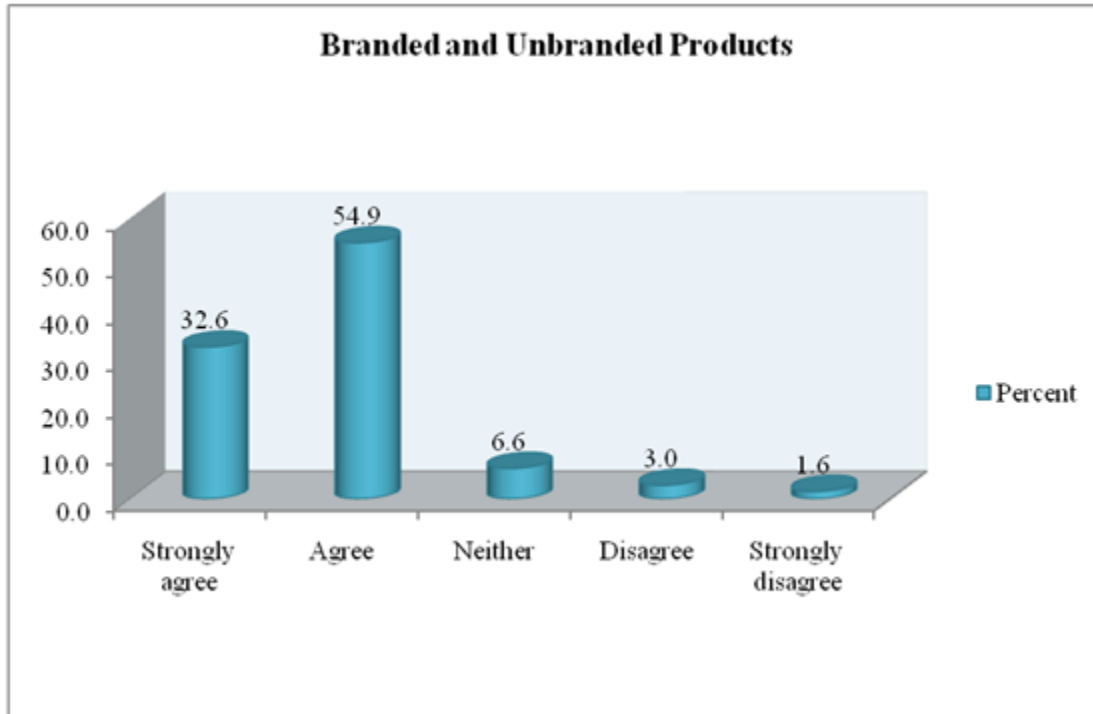
Shop attributes play significant roles in influencing purchase decision and brand shift of customers for goods and services in general and dairy products in particular. We have huge support of literatures that all the above mentioned factors affect purchase decision and brand choice, in the current study. It has been understood that 60% of respondents strongly agree that service efficiency/speed is the most important influencing factor followed by product availability (51% of respondents), product price (46% of respondents) and accessibility (44% of

respondents). Reputation of the shop (47% of respondents) and product variety (57% of respondents) also got agreement by the customers as affecting purchase decision and brand choice. Scale of outlet shops, ambience and promotional schemes got less consideration by the respondents in influencing their purchase decision or product choice.

The findings with regard to shop characteristics and marketing variables affecting purchase decision for the dairy products imply that consumers of dairy products in Addis Ababa value most service efficiency followed by product availability and price. Shop reputation and variety of the product also are regarded considerably. This implies that dairy product marketers need to invest more on training their sales staff and other important staff who play major role in customer services. Nowadays, people do not have patience to wait long time in anticipating services in a single store. Another truth manifested by the study is that consumers' need for dairy products has not yet been satisfied and there is serious problem of product availability. This fact, though it is a challenge for the consumers, it creates ample opportunity for the business firms to maximize their market share by availing more products through different strategies like backward integration.

Customers' agreement of branded dairy products are better than un-branded ones Respondents were asked if they view branded products to be better than un-branded ones. A five point Likert scale was used to capture their response levels of agreement.

**Figure 6.** Customers' agreement ranks of branded products are better than unbranded products



From the collected data 54.9% of the respondents agreed and 32.6% strongly agreed that branded products are better than unbranded products, The rest 6.6%, 3% and 1.6% of the respondents are neutral, disagreed and strongly disagreed respectively that branded products are better than unbranded products.

The implication of this finding is that marketers should not consider their customers to be the way they were in the past few decades. Consumers' knowledge about products or brands increases with changes in income level and exposure to different information systems which is better in urban areas than in rural areas.

### **Influence of product and marketing variables on purchase decision of dairy product brands**

Respondents were asked to rank their agreement level in a five point Likert scale if the product features affect their brand choices of dairy products. The product features included in the question include: Brand name, Brand image, Product quality, Packaging material and design, Information on package label, Source (local/imported), Fat content, Taste/smell of the product,

Appearance (fluid/powder), Presentation (packed/fresh), Product nature (Organic/inorganic), and Brand Familiarity.

**Table 6.** Percent of respondents rating influence of Product features on purchase decision for dairy Product brands

Product and marketing variables	Rating				
	Strongly Agree	Agree	Neither	Disagree	Strongly Disagree
Brand name	43.1	46.7	5.9	1.3	.3
Brand image	41.8	43.4	9.9	1.3	1.0
Product quality	70.4	25.0	2.3	.3	-
Packaging material and design	28.0	40.8	24.7	1.6	2.6
Information on package label	31.9	44.7	17.4	1.0	2.6
Source (local/imported)	33.9	39.1	19.1	2.6	1.0
Fat content	19.7	19.7	50.7	3.9	3.3
Taste/smell	68.1	25.7	3.6	-	.3
Appearance (fluid/powder)	34.2	43.1	15.5	2.0	1.6
Presentation (packed/fresh)	36.8	38.5	17.8	2.6	1.0
Product nature (Organic/inorganic)	51.6	12.5	28.6	3.3	1.0
Brand Familiarity	71.1	15.1	1.3	1.6	.3

Respondents singled out the most influencing product and marketing variables which affect their purchase decision. Accordingly, 71%, 70.4% and 68% of respondents strongly agreed that brand familiarity, product quality and taste or smell of the products strongly affect their purchase decision or brand choice for dairy products respectively. 47%, 45% and 43% of respondents agree that brand name, label information and brand image respectively influence their brand preference. Respondents gave little concern for other features like fat content and package design in influencing their brand preference.

This implies that marketers of dairy products should give emphasis to maintain their existing customers while working on brand promotions and advertisements to draw in new customers. Consumers make careful decisions when it comes to food items. They would like to stay with a product with which they are familiar instead of shifting to unfamiliar product even if the latter one has attracting feature presented by advertisements.

The findings are supported by past research findings which stated that it is a well-known fact that brand awareness, or familiarity, and brand choice are highly correlated. This relationship undoubtedly reflects the fact that choice increases awareness, if for no reason other than people will be exposed to the brands they choose more often than brands they leave on the shelf. Of greater interest is the proposition that brand awareness plays some causal role in the choice process. (Baker, Hutchinson, Moore, & Nedungadi, 1986)

Product quality is another most important element of the marketing mix which got consideration of the consumers during purchase decision for dairy products in Addis Ababa. The quality of the product, especially for food products needs to be paid great attention.

### Brand switching of dairy products by customers

The respondents were asked if they ever switched dairy brand/s in the past three years of consumption. The response was captured in a “yes” or “no” options.

The findings pointed out that 65.1% of respondents did not switch dairy brands or moved their purchase from one brand to another in the past three years, and 33.2% switched dairy brands.

### Customers’ intention to switch dairy brands if offered with better options

Respondents were asked if they would consider switching brand of dairy products they come across other options. The response was captured in a “yes” or “no” options.

78.3% of respondents would like to switch their brand preference if they get some promotional scheme with another brand and 19.7% said they would not switch.

The great proportion of customers wanting to switch brands for better options indicates that they are not fully satisfied with the brands they purchase at the moment. This finding is supported by the response of the customers regarding brand or product features affecting their purchase decision. They pointed out that price and quality among others influence their purchase decision

for dairy products. Same question in a different way has been asked to identify the main marketing elements affecting the brand switch decision for dairy products. The respondents confirmed that it is again price and quality of the product influencing them to want to switch from their current brands. Though it has been learned from the previous question that product availability and brand familiarity play an important role in affecting purchase decision, it is crystal clear that consumers are not fully satisfied with the quality of the limited supply they could get in the market. The implication of this finding is that when there is no completion in the market and when the supply of the product is less than the demand, consumers accept whatever the market provides as far as they can afford but will immediately switch brand or change supplier when they come across alternative supplier. Once the current sellers lose the trust of the customers it will be difficult for them to bring back their former customers and attract new ones as the old ones will share word of mouth to the new ones. Therefore, from the findings, it is advisable for the current firms to bring their products and services to the acceptable standard and ensure customer loyalty.

### Reasons for possible brand switching of dairy products

Respondent were asked to tell the reasons why they would consider switching their dairy brands. Main marketing and product attributes were given to them to select their most important reason. These were: Price, Quality, Accessibility, Advertisement and Availability.

**Table 7.** Reasons for possible brand switching

Variables affecting Brand Switch		
	Frequency	Percent
Price	169	55.6
Quality	232	76.3
Accessibility	131	43.1
Advertisement	113	37.2
Ambience	76	25.0
Availability	144	47.4

76.3% of respondents would like to switch brand if they get better product quality, 55.6% would switch for better price, 47.4% for better availability of product, and 43.1% for better accessibility of product.

This implies that majority of the customers are not satisfied with the quality of the dairy products they purchase and would switch brand preference if they get better quality of the dairy products. Another factor which could take way customers from their current brands could be price. 55.6% of customers responded that they would switch their brands if they come across better prices.

### **Influence of advertisement media/method on customers' brand switching**

Respondents were asked if the media/method used for advertisement of dairy products influenced their decision to switch dairy brands. They were provided with the list of media: Television, Newspaper, Pamphlets, Word of mouth, Test the product in the shop, Details of product

**Table 8.** Media influence on switching brand preference

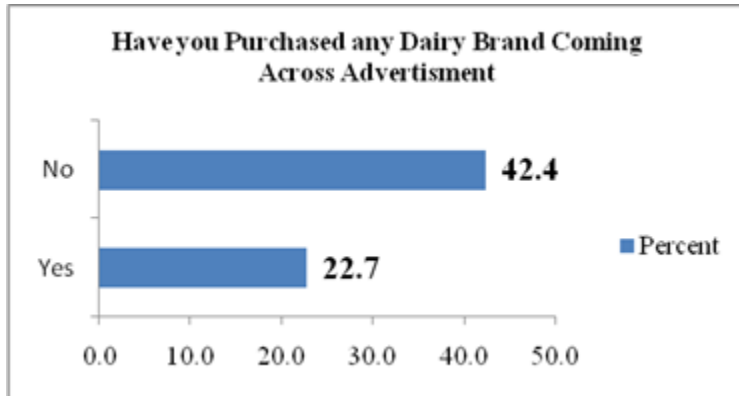
If advertisement plays a role in switching brands, which media influenced you most		
	Frequency	Percent
Television	127	41.8
News paper	55	18.1
Pamphlets	6	2.0
Word of mouth	88	28.9
Radio	35	17.9
Test the product in the shop	1	.3
Details of product	1	.3

According to the responses, 41.8% of respondents are influenced by television, 28.9% by word of mouth 18.1% by newspapers and 17.9% by radio. The study brought forth the fact that the current advertisement methods used by the marketers of dairy products are not as such influential in catching the eyes of the consumers. Respondents pointed out that they are rather doubtful of the advertised products or brands because the offer made through advertisements are not realized when they go for actual purchase and advertisements are made for products or brands which could not be sold due to their inability to attract customers. They pointed out that advertisement helps them to create awareness but once they are aware about the presence of the product, it is the word of mouth from other consumers which influences their decision most. The implication of this is that marketers need to be honest to advertise what they can offer and should use credible media to advertise their products.

#### Customers' response to advertisements in purchasing dairy brands

Respondents were asked if they purchased any dairy brand because of advertisement in the past three years. The response was captured in a "yes" or "no" options.

**Figure 7.** Percentage of customers who purchased dairy brand by coming across advertisements in the past three years



According to the collected data 42.4% of respondents did not purchase any dairy brands recently after coming across any advertisement and 22.7% purchased dairy brands recently after coming across advertisement. In this analysis there were missing systems in which respondents did not have any response for the given question.

Those respondents, who said yes, were also asked in what way the advertisement has influenced them. 12.2% responded as they were influenced by developing positive impression, 10.2% better exposure, 8.6% interest and 7.6% better recall.

### Customers current preference to the existing dairy brands in Addis Ababa outlet shops

Respondents were asked to list the best preferred dairy brands for the different dairy product (fluid milk, powdered milk, butter, cheese, and yoghurt).

**Table 9.** List of brands with which customers are familiar by product category

Dairy product	Brand Name
Fluid milk	Mama, Family, Holland dairy, Harmey, Etete, Selale, Shola, Genesis, Adaa, Berta, Unbranded
Powdered milk	Nido, Bebelac, Big cow, S-26, Lorado, Reglait, Francelait, Nan, Coast, Abay, Liptomil, Pearl, Infacacare ,Humana.
Cheese	Mama, Family, Selale, Genesis, Holland dairy, Sheno, Shola, Unbranded
Butter	Sheno, Wolaita, Etete, Gojjam, Lema, Genesis, Wolega, Shola, Dawro, Holland dairy, Unbranded
Yogurt	Mama, Family, Holland Dairy, Berta, Shola, Genesis, Etete, Harmey, Un branded

**Table 10. Preference rank of consumers to the different dairy brands**

Dairy Product	Brand Preference Ranks and Percent of Respondents Ranking					
	1 <sup>ST</sup>		2 <sup>ND</sup>		3 <sup>RD</sup>	
	Brand Name	% of Respondents	Brand Name	% of Respondents	Brand Name	% Of Respondents
Fluid Milk	Mama	48.6	Genesis	17	Shola	9.33
Cheese	Unbranded	79.5	Mama	10.07	Sheno	7.54
Powdered Milk	Nido	63.7	Coast	6.4	Nan	6
Butter	Sheno	48.21	Unbranded	37.14	Walaga (Local)	6.07
Yoghurt	Holland Dairy	61.3	Mama	16.3	Unbranded	9.57

### Customer preference for the existing dairy brands in Addis Ababa outlet shops

A five point Likert scale (least preference, below average preference, average preference, above average preference and best preference) was used to rank the customers' preference for the different dairy product brands. Accordingly, among the eleven fluid milk brands the customers are familiar with, Mama brand is most preferred by customers (48.6% of customers). The implication of the fact that MAMA happens to be the most preferred brand for fluid milk is that its long years of familiarity with the consumers. MAMA, a product of Sebeta Agro industry has over 20 years of existence in the market and so people are more familiar with MAMA than any other brand for fluid milk. The validity of this response is triangulated with the information of the respondents who replied that brand familiarity is one of the major factors influencing their purchase pattern for dairy products.

From the fourteen powdered milk brands, Nido brand ranked as best preferred by the majority (63.7%) of the customers. Sheno (local brand) butter and local cheese (unbranded) are best

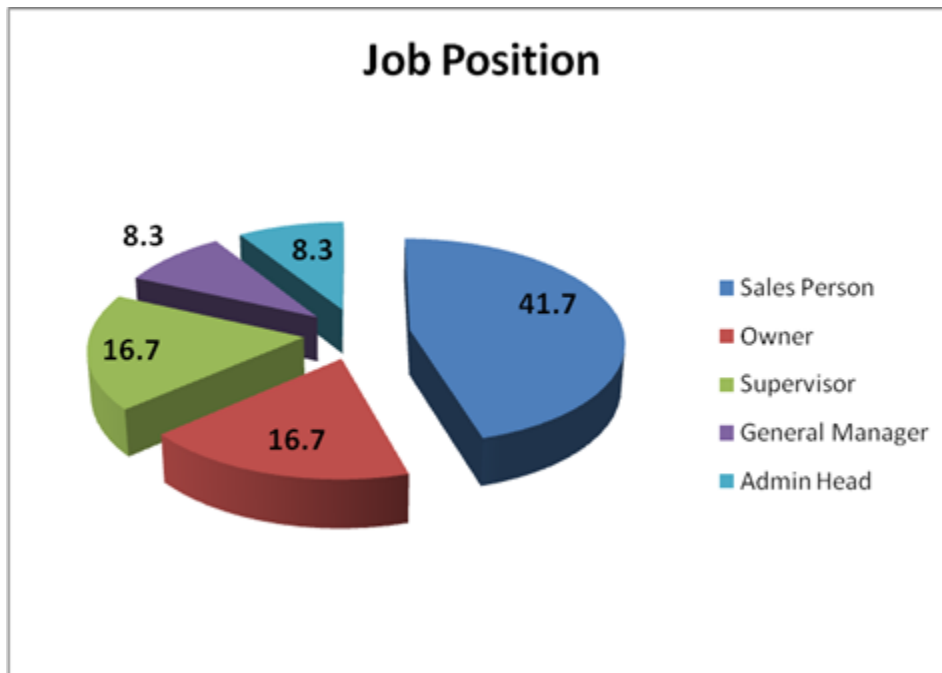
preferred by 48.21% and 79.5% of the customers respectively. Holland dairy branded yoghurt is best preferred by the majority (61.3%) of the customers. Nido is the most popular brand for powdered milk in all levels of outlet shops. The same fact as it is for the fluid milk applies here for Nido's best preference by the consumers. Nido is preferred for its best familiarity with the consumers. The implication of these findings is that marketers have to be cautious and develop taste and flavor which can last long with their customers.

The above figures of preference scores for cheese and butter imply that Ethiopian consumers of dairy products prefer more of the local products when it comes to processed dairy products. This supports the finding of the same study where respondents mentioned taste/smell of the products as one of the determining factors during brand choices of dairy products. Preference for local taste can be associated with brand familiarity which the consumers ranked as one of the major factors affecting their purchase decisions. Most of the citizens of Addis Ababa are rural migrants from the different regions of the country where they grew up consuming locally flavored butter and cheese. As far they can source these products they always give priority to them to be consumed by the whole family.

#### Composition of the outlet shops and their representative respondents

Data from the selected 12 outlet shops (Shewa super market (Woreda 17), Friendship (Bole woreda 03) and Bambis (Kirkosworeda 1) all hyper markets; Getfam super market (Bole woreda 6), The twince super market (AkakiKalitworeda 7) and Shi Ababayehu super market (Yekaworeda 11) all super markets; Karavan mini market (Woreda 17), Zikira mini market (Guleleworeda 04) and Meseret mini market (NefasilkLaftoWoreda 09) all mini markets and Mustefa shop (KolfeKeranioworeda 01), Feyisa shop (Addis ketemaworeda 07) and Sihin shop (KolfeKeranioworeda 15) – all kiosks has been collected using semi-structured interview for triangulation. Individuals with varying responsibilities (sales person, supervisor, general manager, admin head and owner) representing their respective shops have been interviewed for their knowledge about demand and supply patterns, factors influencing customers' purchase decision, brand choice (brand switch).

**Figure8.** Proportion (%) of job categories of respondents from outlet shops



Sales and supply trend of the different dairy products by the selected outlet shops  
The respondents of the shops were asked to rate the trend of sales volume of the products in the past three years in their shops using a five point Likert scale (decreased significantly, decreased moderately, constant, increased moderately, decreased significantly).

**Table 11.** Sales pattern of different dairy products by the shops in the past three years

	Fluid milk		Yogurt		Butter		Cheese		Powder Milk	
	N	%	N	%	N	%	N	%	N	%
Increased significantly	11	91.7	9	75.0	3	25.0	5	41.7	5	41.7
Increased moderately			1	8.3	3	25.0	1	8.3	6	50.0

The result shows that the sales volume of all the products under study increased significantly. (See Table 12 below). The same is true for the supply of the products to the shops though the sales volume and the supply do not match. (See table 14 below).

**Table 12.** Supply pattern of different dairy products to the shops

	Fluid milk		Yogurt		Butter		Cheese		Powder milk	
	N	%	N	%	N	%	N	%	N	%
Increased significantly	7	58.3	4	33.3	4	33.3	2	16.7	2	16.7
Increased moderately	4	33.3	6	50.0	2	16.7	4	33.3	6	50.0
Constant									3	25.0

These findings are consistent with the findings from the consumers' side that the purchase volume of almost all dairy products increases in the past three years. However, even though the food consumption habit of the Addis Ababa citizens shows a substantial move from mere grain based foods to increased use of animal origin foods, the supply of these food items is still very far behind the requirement. This has a very serious implication on the affordability and quality of the supply. Marketers and policy makers in the livestock industry need to devote increased efforts to foster growth of the industry in order to meet the increasing need of the consumers of dairy products.

**Sellers perspective of factors influencing dairy product brand preferences**  
 For the purpose of triangulation of the information gathered in order to arrive at sound conclusion, data was collected from the sellers of the dairy product brands to understand their views and compare it with that of the customers.

**Influence level of shop characteristic on customers brand choice as rated by the respondents of the shops**

Almost all (91.7%) of respondents agree that product availability is the most influencing factor for brand choice of their customers followed by product price (67%), product variety (58%) and service efficiency (42%).(See Table 13 below). This agrees with the view of customers who identified product availability, price, accessibility, variety and shop attribute as the most influencing factors for their brand choice. It is interesting to know that both the customers (buyers) and the hop staff (sellers) agree that advertisement did not play a leading role in influencing the purchase decision of dairy brands. This is an area for further research at least in the context of the current research area.

**Table13.** Percentage of shops rating the level of influence of shop characteristics on customers brand choice decision

	Least influence	Below average influence	Average influence	Above average influence	Greatest influence
Scale of the outlet shop		16.7	25.0	50.0	
Ambiance of the shop		16.7	25.0	50.0	
Reputation of the shop		8.3	41.7	41.7	
Service efficiency/speed			16.7	41.7	41.7
Product availability				8.3	91.7
Product variety				41.7	58.3
Product price			8.3	25.0	66.7
Advertisement	33.3	8.3	33.3	8.3	16.7
Accessibility			8.3	58.3	33.3
Sales promotion (discount, Coupon, etc.)	8.3	8.3	50.0	16.7	16.7

## Influence level of product/brand features on customers brand choice as rated by the respondents of the shops

Table 6 shows that except for fat content, appearance (powder or fluid), presentation (packed or fresh), product nature (organic or in-organic), the sellers agree that all other factors (Brand name, Brand image, Product quality, Packaging material and design, Information on package label, Source (local/imported), Taste/smell) have an influential role in consumers brand choice.

Whereas customers' view is that factors like brand names and brand image have little significance in influencing their brand preferences. Here exists a perceived gap between the knowledge of the consumers and that of the sellers with regard to product or brand elements affecting the purchase decisions. Possible reason for this kind of gap is that sellers do not conduct accurate and up – to- date marketing research to understand the dynamic changes going on with the perception of their customers towards or against a given product or brand features.

**Table14.** Percentage of shops rating the level of influence of product/brand features on customers brand choice decision

Product Feature	Least influence	Below average influence	Average influence	Above Average influence	Greatest influence
Brand name				58.3	41.7
Brand image				66.7	33.3
Product quality				50.0	50.0
Packaging material and design			33.3	33.3	33.3
Information on package label			33.3	16.7	50.0
Source (local/imported)			41.7	8.3	50.0
Fat content		25.0	58.3	8.3	8.3
Taste/smell			16.7	33.3	33.3
Appearance (fluid/powder)		8.3	16.7	58.3	16.7
Presentation (packed/fresh)		8.3	25.0	41.7	25.0
Product nature (Organic/inorganic)		33.3	41.7	25.0	
Brand Familiarity				41.7	50.0

## Influence level of product/brand features on customers brand choice as rated by the respondents of the shops

The respondents of the shops rated nationality, education level and occupation as playing the least role (below average) in influencing consumers' brand preference whereas family income (the biggest role), family size, marital status and gender influence the purchase decision of dairy brands. The views of the sellers agree with those of the customers in some factors like income level and gender as significantly influencing brand choices but they disagree that age factor has an influential role in their brand choice/preference.

Sellers agree that age variations affect the purchase and brand choice decisions of their customers for dairy products but customers do not agree that age variations affect their purchase decisions. Further investigation of the basis for this arguments or disagreements should be made with wider samples from different categories of both sellers and consumers should be made to arrive at logical decision.

**Table 15.** Percentage of shops rating the level of influence of demographic variables of customers on customers brand choice decision

Demographic variables	Least influence	Below average influence	Average influence	Above Average influence	Greatest influence
Age			8.3	75.0	8.3
Gender			50.0	33.3	8.3
Marital status			66.7	25.0	
Family income				8.3	83.3
Nationality	16.7	50.0			25.0
Education	8.3	41.7		16.7	25.0
Occupation	8.3	16.7		41.7	25.0
Family size			16.7	50.0	16.7

**Table16.** Percentage of shops rating the level of influence of media types on customers brand choice decision

<b>Media</b>	<b>Least influence</b>	<b>Below average influence</b>	<b>Average influence</b>	<b>Above Average influence</b>	<b>Greatest influence</b>
Television			8.3	16.7	66.7
Newspaper			8.3	50.0	25.0
Pamphlets		41.7	33.3	8.3	
Word of Mouth				41.7	50.0
Others (Radio)			8.3	25.0	16.7

Both sellers and buyers agree that television and word of mouth are the most frequently used advertising media. However, consumers made it clear that though television is the mostly used advertisement media by the sellers, its impact in influencing purchase decision is minimal due to lack of match between what is advertised and what is actually offered. Therefore, it is strongly suggested that marketers have to improve their services to develop trustworthiness and keep balance between what is advertised and what is offered to their customers.

#### 4.2.2. Empirical Analyses

**Research question 1: Demographic variables affecting purchase pattern of dairy brands**

Multinomial logit model was used to analyze the relationship between the different demographic variables (independent variables) of the customers and the purchase pattern (which is disaggregated in to daily, few days in week, weekly, bimonthly, once in 2-3 months, not purchased at all the different dairy products (fluid milk, powdered milk, butter, cheese and yoghurt).

## Purchase pattern of fluid milk affected by demographic variables of the customers

Tables 17 – 19 contain the logit results of fluid milk purchase pattern as affected by the demographic variables under study. As it can be read from the tables, age and family size (Table 17) affect purchase pattern when it comes to purchase of fluid milk few days in a week and marital status and family size (Table 18) affect purchase of fluid milk on biweekly basis and level of education (Table 19) for purchase pattern on once in 2-3 months.

**Table 17.** Fluid milk purchase pattern (few days in a week)

	Coef.	Std. Err	. z	P> z	[95% Conf. Interval]	
Age	.390199	.1545199	2.53	0.012 **	.0873457	.6930524
Sex	-.0430761	.2905731	-0.15	0.882	-.6125889	.5264366
Marital status	.5600207	.3169188	1.77	0.077	-.0611287	1.18117
Education	.1507958	.2093308	0.72	0.471	-.259485	.5610766
Occupation	-.1751207	.1369967	-1.28	0.201	-.4436294	.0933879
Income	-.1207592	.1449731	-0.83	0.405	-.4049014	.1633829
Family size	-.3298482	.1623137	-2.03	0.042 *	-.6479772	-.0117191
Cons	-1.243521	1.223038	-1.02	0.309	-3.640632	1.15359

The multinomial logistic regression model (logit model) analysis with 95% confidence interval ( $\alpha = 0.05$ ) indicate that among the demographic variables (age, sex, marital status, education, occupation, income of family, and family size) under the study age, family size, marital status and education significantly affect the purchase pattern of fluid milk by customers when it comes to purchase of fluid milk on few days in a week, biweekly and once in 2-3 months.

**Table18.** Fluid milk purchase pattern (biweekly)

	Coef.	Std. Err	z	P> z	[95% Conf. Interval]	
Age	.4146939	.4914292	0.84	0.399	-.5484896	1.377877
Gender	.7789173	.8863145	0.88	0.379	-.9582273	2.516062
Marital status	2.736505	1.19684	2.29	0.022 *	.3907415	5.082269
Education	-.8152367	.5971942	-1.37	0.172	-1.985716	.3552423
Occupation	-.5949657	.4484478	1.33	0.185	--1.473907	.2839759
Income	-.5124031	.6179405	-0.83	0.407	-1.723544	.698738
Family size	-2.470769	.882169	-2.80	0.005 *	-4.199788	-.7417491

These findings indicate that age which is also associated with marital status determines whether the consumer purchases fluid milk on few days in a week or not. It has been found out that married consumers within the age category of 31- 40 years of age purchase fluid milk on few days in a week basis while un-married and those within age group of below 21 years and above 40 years purchase fluid milk at a longer interval of time. This is also associated with consumption of fluid milk by children of married customers. Again the association of family size with purchase pattern of fluid milk implies that there are different age groups especially children in a family who consume fluid milk. Consumption of fluid milk by adults in Ethiopian city dwellers is very limited partly due to food habit cultures and partly due to unavailability of the milk itself to be distributed to all family members. Past studies indicate that average expenditures by households on milk and milk products is only four percent of the total household food budget (Staal, Nin Pratt, & Jabbar, 2008). Ethiopia is unique from other countries in the region because of the number of fasting days, over 200, and the cultural attitude that milk is mainly for children and the sick (Ababa, 2008).

**Table19.** Fluid milk purchase pattern (Once in 2-3 months)

	Coef.	Std. Err	. z	P> z	[95% Conf. Interval]	
Age	.73627	.576675	1.28	0.202	-.3939922	1.866532
Gender	-.8360231	1.195679	-0.70	0.484	-3.17951	1.507464
Marital status	-.2611936	1.233993	-0.21	0.832	-2.679775	2.157387
Education	2.497926	1.049833	2.38	0.017 **	.4402923	4.55556
Occupation	-.3248132	.5001801	-0.65	0.516	-1.305148	.6555218
Income	-1.329278	.7711335	1.72	0.085	--2.840672	.1821158
Family size	-.4123301	.6577401	0.63	0.531	--1.701477	.8768168
_Cons	-7.599371	5.128492	-1.48	0.138	-17.65103	2.452289

Ethiopians consume less dairy products than other African countries and far less than the world consumption. The present national average capita consumption of milk is 19kg/year as compared to 27 kg for other African countries and 100kg to the world per capita consumption. The recommended per capita milk consumption is 200 litre/year (Ababa, 2008). Therefore, the findings in this study regarding consumption pattern of fluid milk is in-line with past historical trends of Ethiopian adult milk consumption habit which is restricted by religious and cultural norms of significant proportion of the population.

## Purchase pattern of yoghurt affected by demographic variables of the customers

**Table20.** Yoghurt purchase pattern (No purchase at all)

	Coef.	Std. Err	. z	P> z	[95% Conf. Interval]	
Age	2090717	.2585619	-0.81	0.419	-.7158436	.2977003
Gender	.1818111	.4882019	0.37	0.710	-.775047	1.138669
Marital status	.6303892	.531408	1.19	0.236	-.4111512	1.67193
Education	.5796928	.3760977	1.54	0.123	-.1574453	1.316831
Occupation	.0165954	.2258075	0.07	0.941	-.4259792	.4591701
Income	-1.180047	.348485	-3.39	0.001 **	-1.863065	-.4970286
Family size	.2128193	.2624847	0.81	0.417	-.3016413	.72728
_Cons	-1.892101	2.070666	-0.91	0.361	-5.950532	2.16633

The purchase pattern of customers for yoghurt was affected significantly by income level. This finding revealed that it is the economically well –to-do consumers who go for increased value of the dairy products like flavored yoghurt which are considered as luxury or recreational foods of course with increased prices which can be afforded by these selective groups of consumers. The lower income level consumers go for local sources where yoghurt is made traditionally and not by factory processing if in case they want to purchase yoghurt. The finding informs the business firms to segment their market and provide each segment with affordable price and quality of the product they would like to use with their economic potential.

## Purchase pattern of butter affected by demographic variables of the customers

Table 21 – 23 below present us with the purchase pattern of butter as affected by the demographic factors under study. According to the findings, income level, gender and marital status significantly affect the purchase pattern for butter in Addis Ababa out let shops.

**Table 21.** Butter purchase pattern (weekly)

	Coef.	Std. Err	. z	P> z	[95% Conf. Interval]	
Age	-.2127376	.4825714	-0.44	0.659	-1.15856	.733085
Gender	.3921133	.9787031	0.40	0.689	-1.52611	2.310336
Marital status	.5809385	1.014324	0.57	0.567	-1.4071	2.568977
Education	.0289321	.6730421	0.04	0.966	-1.290206	1.34807
Occupation	-.344866	.4442701	-0.78	0.438	-1.215619	.5258874
Income	1.11173	.4684061	2.37	0.018 **	.1936705	2.029789
Family size	-.3178229	.5734818	-0.55	0.579	-1.441827	.8061808
_Cons	-5.317003	4.105634	-1.30	0.195	-13.3639	2.729892

The implication of this finding is that butter is consumed by all family members but it is often the women who go for purchase of household food items especially items like dairy products which require careful observation and verification of quality. The factory - processed dairy products like butter are relatively more expensive than the traditionally processed products. Hence, it is the income level which determines whether the consumer has to buy the product weekly, monthly or once in 2-3 months.

**Table 22.** Butter purchase pattern (biweekly)

	Coef.	Std. Err	. z	P> z	[95% Conf. Interval]	
Age	.6398146	.4146076	1.54	0.123	-.1728012	1.452431
Gender	-1.177326	.7360678	-1.60	0.110	-2.619993	.2653402
Marital status	-1.177326	.7360678	-1.60	0.110	-2.619993	.2653402
Education	-.2361023	.4862363	-0.49	0.627	-1.189108	.7169034
Occupation	-.3237393	.3357537	-0.96	0.335	-.9818045	.3343258
Income	.761735	.3366585	2.26	0.024 *	.1018965	1.421573
Family size	-.0388358	.3790014	-0.10	0.918	-.7816649	.7039932

Another important finding from this study is that married consumers buy butter more frequently than unmarried ones. This again is a valid result because married consumers have more number of family members who consume butter in their meals. However, it has also been learned from the result that though all family members consume or would like to consume butter in their everyday meal, their ability to do this is affected by the income they have. The economically better consumers purchase butter more frequently than those with lower income. Therefore, business people should understand the economic differences of their target market when designing any marketable product.

**Table23.** Butter purchase pattern (no purchase at all)

	Coef.	Std. Err	. z	P> z	[95% Conf. Interval]	
Age	.1675154	.2890991	0.58	0.562	-.3991084	.7341392
Gender	-1.909497	.6766839	-2.82	0.005 *	-3.235773	.583221
Marital status	1.945812	.6153148	3.16	0.002 *	.7398167	3.151806
Education	-.3388986	.3673954	-0.92	0.356	-1.05898	.3811832
Occupation	.1223731	.2276263	0.54	0.591	-.3237664	.5685125
Income	-.472451	.3380727	-1.40	0.162	-1.135061	.1901593
Family size	-.2791078	.2783481	-1.00	0.316	-.8246601	.2664444
_Cons	-.8189076	2.144078	-0.38	0.703	-5.021223	3.383408

### Purchase pattern of cheese affected by demographic variables of the customers

Table 24 – 26 below pointed out the demographic factors affecting the purchase pattern for cheese. Based on the results cheese purchase pattern is affected significantly by gender, income level, marital status and family size.

**Table 24.** Cheese purchase pattern (monthly)

	Coef.	Std. Err	. z	P> z	[95% Conf. Interval]	
Age	.0247826	.1925317	0.13	0.898	-.3525726	.4021377
Gender	.8081174	.3806727	2.12	0.034 *	.0620125	1.554222
Marital status	-.0608358	.427911	-0.14	0.887	-.899526	.7778543
Education	.2410827	.2571832	0.94	0.349	-.2629871	.7451526
Occupation	-.0971435	.1744867	-0.56	0.578	-.4391312	.2448442
Income	.0831616	.1817453	0.46	0.647	-.2730527	.4393759
Family size	-.1659279	.2075832	-0.80	0.424	-.5727834	.2409277
_Cons	-1.833953	1.647631	-1.11	0.266	-5.063251	1.395346

Cheese is among the food items which are not consumed in every day meal of average Ethiopian consumer. Most often it is the women who purchase cheese and actually consume. Married consumers, though they are males, they purchase cheese because they are living with their couples and children who consume cheese. Those consumers with large family size will of course purchase cheese more often than those with less family size.

**Table25.** Cheese purchase pattern (once in 2-3 months)

	Coef.	Std. Err	. z	P> z	[95% Conf. Interval]	
Age	.2701398	.1974078	1.37	0.171	-.1167724	.657052
Gender	.3062824	.378668	0.81	0.419	-.4358933	1.048458
Marital status	-.2852991	.4334147	-0.66	0.510	-1.134776	.5641781
Education	.1235986	.2588948	0.48	0.633	-.383826	.6310232
Occupation	-.2590197	.1808918	-1.43	0.152	-.6135612	.0955218
Income	-.4098604	.2033743	-2.02	0.044 *	-.8084666	-.0112541
Family size	-.1584599	.2028622	-0.78	0.435	-.5560624	.2391427
_Cons	.1835829	1.647356	0.11	0.911	-3.045175	3.412341

Male consumers who are not married and as such have less family size did not purchase cheese. This implies that it is the female consumers who often purchase cheese though men consumers also eat the product. The finding shares the same reason as for butter purchase pattern which was affected by gender. Female consumers are better in identifying quality of dairy products than their male counterparts.

**Table 26.** Cheese purchase pattern (No purchase at all)

	Coef.	Std. Err	. z	P> z	[95% Conf. Interval]	
Age	.4210305	.2725954	1.54	0.122	-.1132468	.9553077
Gender	-.1943763	.5207146	-0.37	0.709	-1.214958	.8262055
Marital status	1.688112	.5642561	2.99	0.003 **	.58219	2.794033
Education	-.4215301	.343066	-1.23	0.219	-1.093927	.250867
Occupation	-.1485231	.2206172	-0.67	0.501	-.5809248	.2838786
Income	-.0246516	.2628308	-0.09	0.925	-.5397904	.4904873
Family size	-.7123916	.2810122	-2.54	0.011 **	-1.263165	-.1616178
_Cons	-1.606167	2.040587	-0.79	0.431	-5.605644	2.393311

### Purchase pattern of powdered milk affected by demographic variables of the customers

The findings with regard to the demographic factors affecting consumers' purchase pattern for powdered milk are presented in tables 27 – 29 below. According to the results, it can be understood that marital status, income level and family size are the demographic variables significantly affecting the consumers purchase pattern for powdered milk. The implication of this finding is that it has been noted from the exploratory survey that children are the most consumers of powdered milk in the family.

**Table27.** Powdered milk: purchase pattern (weekly).

	Coef.	Std. Err	. z	P> z	[95% Conf. Interval]	
Age	.1872066 -	.6407956	0.29	0.770	1.06873	1.443143
Gender	-1.520403	1.415277	-1.07	0.283	-4.294294	1.253489
Marital status	-17.37276	1596.115	-0.01	0.991	-3145.701	3110.955
Education	-1.051288	.9435215	-1.11	0.265	-2.900556	.7979801
Occupation	-.8883374	.6744996	-1.32	0.188	-2.210332	.4336575
Income	1.632662	.5965896	2.74	0.006 **	.463368	2.801956
Family size	-1.251154	.9941305	-1.26	0.208	-3.199614	.6973061
_Cons	20.3577	1596.122	0.01	0.990	-3107.985	3148.7

The fact that powdered milk consumption is affected by the marital status of the consumers is agreeable with the initial findings in that it is through marriage that the children who are the most consumers of the powdered milk are created. Again as powdered milk is more expensive than fluid milk it is the economically better consumers who can buy those products for their children.

**Table28.** Powdered milk purchase pattern (monthly)

	Coef.	Std. Err	. z	P> z	[95% Conf. Interval]	
Age	-.1361283	.2242986	-0.61	0.544	-.5757455	.3034889
Gender	-.4842811	.4494652	-1.08	0.281	-1.365217	.3966546
Marital status	-1.051368	.537813	-1.95	0.051 *	-2.105462	.002726
Education	-.3860896	.3108269	-1.24	0.214	-.9952991	.2231199
Occupation	-.1836844	.2138097	-0.86	0.390	-.6027437	.2353749
Income	.8902447	.2239338	3.98	0.000 ***	.4513426	1.329147
Family size	.5146444	.2331014	2.21	0.027 *	.0577741	.9715148
_Cons	.0782099	2.005939	0.04	0.969	-3.853358	4.009777

Family size is another demographic variable affecting the purchase frequency for the powdered milk. This finding has relevance as it is evident that the more the family size consuming the product, the more the frequency of the purchase for the product.

**Table29.** Powdered milk purchase pattern (once in 2-3 months)

	Coef.	Std. Err	. z	P> z	[95% Conf. Interval]	
Age	-.2306581	.1784684	-1.29	0.196	-.5804497	.1191334
Gender	.0965257	.3504588	0.28	0.783	-.5903609	.7834122
Marital status	-.9659885	.3800695	-2.54	0.011 **	-1.710911	-.2210659
Education	-.054515	.2441837	-0.22	0.823	-.5331063	.4240762
Occupation	.2792056	.1548375	1.80	0.071	-.0242703	.5826815
Income	.6085735	.1858469	3.27	0.001 ***	.2443204	.9728266
Family size	.0451482	.1866382	0.24	0.809	-.3206559	.4109523
_Cons	-.1433974	1.49567	-0.10	0.924	-3.074857	2.788062

In summary it has been understood from the research findings that gender, income, family size and marital status are the main demographic variables affecting customers' purchase pattern for dairy products. It is crucial for the producers as well as the distributors or sellers of the dairy products to understand the demographic and socio-economic segments of their target market so as to be able to supply the required type of product with affordable price and quality per segment.

#### Factors influencing brand switch of dairy products by consumers

The research questions 2 (do the marketing variables and shop attributes influence brand switch of dairy products by customers?) and 3 (What are the socioeconomic and brand attributes influencing consumers' brand switch decision?) are answered below using summary statistics and probit regression model.

Summary statistics and statistical significance tests on equality of means for continuous variables and equality of proportions for binary variables for dairy product brand switching decision presented in Table 31 show that there are significant differences between consumers who switch

brands and consumers who do not switch with respect to gender, educational level and monthly income of the respondents, price and packaging quality of dairy products. Compared to consumers who do not switch dairy product brands, consumers who switch brands males, less educated, have relatively low monthly income, more responsive to changes in product prices and less concern to the quality of packaging materials.

**Table 30.** Difference in socioeconomic characteristics of consumers switching brands of dairy products

Variable	No	Yes	Diff
Age of respondent	2.8[0.09]	2.68(0.08)	-0.125[0.123]
Gender of respondent	1.38[0.05]	1.53[0.04]	0.153[0.061]**
Marital status of respondents	1.34[0.05]	1.45[0.04]	0.104[0.061]*
Educational qualification	2.92[0.07]	2.44[0.05]	-0.483[0.089]***
Occupational status	2.57[0.10]	2.58[0.08]	0.014[0.138]
Monthly income of respondent	2.22[0.10]	1.87[0.07]	-0.350[0.122]***
Family size	2.15[0.08]	2.35[0.07]	0.200[0.111]*
Price	2.07[0.03]	2.27[0.03]	0.198[0.048]***
Appearance	0.74[0.04]	0.82[0.02]	0.074[0.045]*
Packing	0.82[0.04]	0.7[0.03]	-0.118[0.050]**
Brand character	0.93[0.02]	0.88[0.02]	-0.045[0.034]
N	100	198	298

Notes: \*\*\* p<0.01, \*\* p<0.05, \* p<0.1

The average mean difference in outcome variables presented in Table 31 may mask the actual differences between consumers who switch and consumers who do not switch brands of dairy products. Although the comparisons discussed above show significant differences between

consumers who switch and consumers who do not switch brands of dairy products, knowledge of average differences is not enough to explain the brand switching decision across sample consumers since they do not account for the effect of other characteristics of the consumers. In

the next section, brand switching decision is modeled to see if socioeconomic characteristics of consumers and product attributes influence consumers brand switching decision. The result shows that marital status of respondents, occupational status and the quality of packing influence dairy products brand switching decision.

**Table31.** Factors affecting switching brands of dairy products (probit results)

Variables	Switching brand
Sex of respondent	0.05(0.10)
Marital status of respondents	0.44 (0.18)**
Educational qualification	0.18(0.20)
Occupational status	-0.41(0.13)***
Monthly income of respondent	0.07(0.09)
Family size	-0.09(0.09)
Price	0.14(0.10)
Appearance	-0.04(0.10)
Packing	0.60(0.25)**
Brand character	-0.36(0.25)
Sex of respondent	-0.42(0.36)
Marital status of respondents	0.46(0.83)
Educational qualification	261

Notes: Robust standard errors in parentheses; \*\*\* p<0.01, \*\* p<0.05, \* p<0.1

# Chapter Five

## CONCLUSIONS AND RECOMMENDATIONS

The objectives of this study were (1) to explore consumers' purchasing decision, perceptions and preferences for various types of dairy products and brands (2) to examine the influence of demographic factors on purchase pattern of dairy product consumers in Addis Ababa outlet shops (3) to assess the influence of outlet shop characteristics on the purchase decision of dairy product brands consumers in Addis Ababa outlet shops (4) to determine the importance of various product and brand attributes in influencing brand switch decisions for dairy products in Addis Ababa. Primary and secondary data was sought from the consumers and the sellers of dairy products using qualitative and quantitative methods. Successive mix of descriptive and inferential analyses were made to explore the existing situation with regard to the dairy product marketing and determine the factors affecting consumers' brand choice/brand switch decision for dairy products in Addis Ababa outlet shops. Results indicate that dairy products purchase experience and pattern is increasing in the past three years in Addis Ababa. Respondents pointed out the variables most affecting their purchase and brand switch decisions for dairy products. Summary of the findings and implications are presented below.

### 5.1. Summary of Major Findings

The major findings in this study three fold. First, it has been understood from the respondent customers that in Addis Ababa, the food habit of the citizens is changing from mere gain based feeding to inclusion of animal source foods at an increasing rate. This has been observed from the responses that 94% of respondents purchase milk, 75% purchase yoghurt, 87% purchase butter, 78% purchase cheese and 49% purchase powdered milk. Second, the purchase pattern by those already consuming the products is increasing significantly since the past three years for the majority of the products. Third, the findings pointed out the major influencing factors which determine the purchase pattern and brand switch decisions for various dairy products. Age, gender, marital status, income level and family size are the major demographic variables affecting purchase pattern while product availability, price, quality and local taste are some of the major variables affecting consumers brand switch decisions. It is alarming that consumers are not influenced by television advertisements and they rather are suspicious of products advertised by television. They trust word of mouth more than television advertisements.

## 5.2. Conclusions

### Consumers' purchase experience and pattern of dairy products in Addis Ababa outlet shops

Purchase experience for the dairy products in Addis Ababa is increasing for all the products under study (fluid milk, yoghurt, butter, cheese and powdered milk). 94% of respondents replied that they purchase fluid milk, 75% purchase yogurt, 87% purchase butter, 78% purchase cheese and 49% purchase powdered milk. According to the results of the study, among the demographic factors affecting customers brand preference for dairy products, marital status, gender, income level and occupation play a major role. There is significant difference among respondents of different educational level, income and sex in switching brands

The demand for dairy products is increasing with the economic growth of citizens and population growth especially in the urban areas of Ethiopia. This has been verified by the current study which pointed out that the majority of the sample respondents in Addis Ababa replied that their consumption of dairy products (fluid milk, powdered milk, yogurt, cheese and butter) increased at significant levels in most cases in the past three years. Following this, there are many emerging business in the dairy industry both from the production/processing and the marketing side. This finding is consistent with past research works which pointed out the demand for meat and milk based foods will increase for the unforeseen future due to the driving forces including population growth, urbanization and growth in the income level of the consumers. (C. Delgado, 2005)

### Influence of shop and marketing variables on purchase decision for dairy products

Respondents are concerned more about availability and accessibility and variety of the products. Another issue in relation to this is service efficiency of the sellers of the products. Consumers complain about the long time they spend in waiting for services in the shops. The concern of consumers for price and quality of the products is also related to the scarce availability of the products and that consumers are forced to take whatever the market offers because they don't have any option. This has a serious implication on the health and nutrition of the citizens especially mothers and children who need to be well nourished with foods of animal origin.

## Influence of social groups and societal norms on the brand decision of dairy products

The findings of current study revealed that 70% of the respondents agree that their brand choices are affected by the social class (friends and family) and 54% of respondents agree that their brand choices are affected by the food habit of the society they live in. Marketers and producers (especially new entrants in to the industry) of dairy products are advised to be cautious of the cultural norms of their target market and serve accordingly. Producers of dairy products may need to think of processing and preserving options for the fasting periods when many of the consumers are abstained from animal source foods and their products are sold following market demand.

## Brand attributes affecting consumers' brand switch decisions

Product/brand attributes also have a significant share in affecting consumers' brand choices for dairy products. Product/brand attributes such as product price, quality, taste/smell and brand familiarity are considered by the majority of respondents as affecting their brand choice.

## The role of advertisement in influencing brand switches or purchase decision

In the current study it has been investigated that both customers and sellers of dairy products believed that television and word of mouth are the mostly used advertising media to create awareness of the products and brands of dairy products with the consumers. However, consumers complained that they did not find what was advertised when it comes to product offer by the marketers. This left the consumers with doubts and suspicions about what is being advertised. To this effect the consumers pay less attention especially to television and mainly depend on word of mouth for testing a new brand.

## The role of sales promotion in influencing brand switch or purchase decision

In the current study respondents seemed to do not be happy with the level of sales promotion made by the sellers and so it did not influence their brand switch or purchase decision for dairy products or brands. In other words, consumers gave more emphasis to the quality and price of the products than the sales promotion practices made by the marketers. Sales promotions can influence consumption patterns by influencing the purchase decisions of consumers and

encouraging them to consume more. These effects depend on the characteristics of the food product, sales promotion, and consumer. The complexity of the effects means that sales promotions aiming to encourage consumption of nutritious foods need to be carefully designed. (Hawkes, 2009).

### 5.3. Recommendations

#### Recommendation for Business Firms

As indicated in the discussion and conclusion part, the dairy brand marketing in Addis Ababa is growing (there are more brands coming in to the market) but still at an infant stage with regard to customer basic needs and growing demand for animal source foods. Business in this sector (both producers and marketers) should consider consumers' contexts and the dynamism of their socio-cultural and economic environments. The study shows that product price coupled with product quality is the burning issues for the customers. Quality of the product especially perishes - ability and adulteration of fluid milk with some local (un-branded) suppliers are some of the issues that customers complain about. Therefore, it is recommended that the existing and prospective firms in the area of dairy product marketing should base customer suggestions while developing and marketing their brands. It is also suggested that the sellers of the dairy products integrate with the producers or processors of the products so that they could figure out the appropriate ingredients in their products that their customers like or dislike. This suggestion is relevant because the local test or flavor of the product is one of the factors affecting consumers' brand choice. In summary, marketers and producers of dairy products should conduct marketing research periodically in order to understand the customers' dynamic environment and segment their markets demographically and socio-economically to provide each segment with the expected product value.

#### Policy recommendation

Though it is known that Ethiopia is known for its livestock population and there is sound policy for livestock production at the moment, the need to enact and ensure implementation of quality standards for dairy products both from the production and the marketing side is very crucial. The current study identified customers of dairy products value the quality and taste of the product more than its price. Product and grocery standards have to be maintained in order to meet the

satisfaction of customers of varying backgrounds. Quality verification laboratories and nutrition standards have to be in place in order to ensure the standards of the products sold to the citizens. Many literatures reveal that Ethiopia possesses the largest livestock population in Africa. However, the dairy products supply could not satisfy the need of the consumers. This is evidenced by the respondent of the current study that product availability is one of the major factors affecting their purchase frequency. Therefore, it is recommended that the government of Ethiopia has to motivate investors (both producers and marketers) in the dairy sector by providing incentives so that productivity and production are boosted to satisfy the increasing needs.

#### **Recommendation for further area of research**

From the current research it is evident that brand preferences vary with changes in demographic situation of the customers and marketing variables of the shops selling dairy brands. The study also indicated that Ethiopian customers value taste/smell of the product/brand highly and give preference to local tastes. This has been noticed with customers' inclination to local brands like "Sheno" for butter and unbranded local products for cheese. Therefore, it is suggested that the study is extended to the producers' angle in order to identify the ingredients of the existing brands or products and local (unbranded) which attract consumers. The current research is limited to Addis Ababa and as such can represent similar situations. However, it cannot be generalized to the wider national level context which includes both rural and urban consumers. Therefore it is recommended to do an in-depth study with larger multi-location sampling including villages and rural towns so that the results represent a wider context.

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# APPENDICES

## Append 1

### Questionnaire for Studying Factors Affecting Consumers' Brand Preference of Dairy Products in Addis Ababa Outlet shops

*Dear respondent: Please be assured that the information you share is to be used only for academic purpose and nothing more than that.*

Date data collected: \_\_\_\_\_

Data collected by: \_\_\_\_\_

#### 1. Personal details

Name of respondent: \_\_\_\_\_

Location/Woreda : \_\_\_\_\_

Nationality: \_\_\_\_\_

Age:  Below 20 years       21-30 years  
 31-40 years       above 40 years

Gender:  Male       Female

Marital status:

Married       Unmarried

Educational qualification:

Read and write       Degree /Diploma  
 High school       Professional

Occupational status:

Student       House wife

Employed

Business

Monthly income of the family

Up to Birr 5, 000

Birr 5,000 to 10, 000

Birr.10, 000 to 20, 000

Above 20,000

No. of members in the family

Up to 2

2 to 4

4 to 6

Above 6

2. Have you ever purchased any of the following dairy products from outlet shops in Addis Ababa in the past three years?

S.No.	Dairy product	Yes	No
1	Fluid milk		
2	Yogurt		
3	Butter		
4	Cheese		
5	Powdered milk		

3. Rank the store types listed below in the order of preference from where you buy/would like to buy dairy products?

(Rank from 1 to 5: 5-Most Preferred 1-Least Preferred)

Store	Rank				
	5	4	3	2	1
Hyper markets					
Super Markets					
Mini markets					
Kiosks					
Others (specify)					

4. Mention if your consumption of the following dairy products increased/decreased/constant in the past three years:

S.No.	Dairy product	Increased significantly	Increased moderately	Constant	Decreased moderately	Decreased significantly
1	Fluid milk					
2	Yogurt					
3	Butter					
4	Cheese					
5	Powdered milk					

5. Mention the frequency of your purchase for the following dairy products?

S.No.	Dairy product	Daily	Few days in a week	Weekly	Bi-weekly	Monthly	Once in 2-3 months	Not at all
1	Fluid milk							
2	Yogurt							
3	Butter							
4	Cheese							
5	Powdered milk							

6. Family members feeding on the dairy products

Dairy Product	Fluid milk	Powdered milk	Yogurt	Butter	Cheese
Family Member					
Adult men					
Adult women					

Young men					
Young women					
Children					

7. Social factors (family, friends, my social status) influence my purchase decision for dairy product brands

Strongly agree     Agree     Neither     Disagree     Strongly disagree

8. My decision for purchase of dairy products is affected by the food habit of the society I live in

Strongly agree     Agree     Neither     Disagree     Strongly disagree

9. The following attributes of outlet shops influence my purchase decision for dairy products

Rating Outlet Attribute	Strongly agree	agree	Neither	Disagree	Strongly disagree
Scale of the outlet shop					
Ambiance of the shop					
Reputation of the shop					
Service efficiency/speed					
Product availability					
Product variety					
Product price					
Advertisement					
Accessibility					
Sales promotion (discount, Coupon, etc.)					
Others (specify)					

10. List 5 brands you are familiar with for the following dairy products:

Dairy product	Brand names in order of familiarity (5= most familiar; 1 = least familiar)				
	5	4	3	2	1
Fluid milk					
Powdered milk					
Cheese					
Butter					
Yogurt					

11. In my opinion, branded products are better than un - branded products

Strongly agree   
 Agree   
 Neither   
 Disagree   
 Strongly disagree

12. Explain the reason of your answer for the above question:

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_
5. \_\_\_\_\_

13. List 5 dairy brands in the order of preference. Rank from 1 to 5: 5-Most Preferred (1-Least Preferred)

Dairy product	Brand names in order of Preference (5= most preferred; 1 = least preferred )				
	5	4	3	2	1
Fluid milk					
Powdered milk					
Cheese					
Butter					
Yogurt					

14. Give reasons for your rank for the most preferred and the least preferred brands by product type.

Dairy product	Reasons for most preference	Reasons for least preference
Fluid milk	<ol style="list-style-type: none"> <li>1.</li> <li>2.</li> <li>3.</li> </ol>	<ol style="list-style-type: none"> <li>1.</li> <li>2.</li> <li>3.</li> </ol>
Powdered milk	<ol style="list-style-type: none"> <li>1.</li> <li>2.</li> <li>3.</li> </ol>	<ol style="list-style-type: none"> <li>1.</li> <li>2.</li> <li>3.</li> </ol>

Cheese	1. 2. 3	1. 2. 3.
Butter	1. 2. 3	1. 2. 3.
Yogurt	1. 2. 3	1. 2. 3.

15. How long have you been using your most preferred brand/s?

- Last six months                       6 months to 1 year  
 1 – 2 years                                 More than 2 Years.

16. The following product features influence my purchase decision for dairy products

Rating	Strongly agree	agree	Neither	Disagree	Strongly disagree
Product feature					
Brand name					
Brand image					
Product quality					
Packaging material and design					

Information on package label					
Source (local/imported)					
Fat content					
Taste/smell					
Appearance (fluid/powder)					
Presentation (packed/fresh)					
Product nature (Organic/inorganic)					
Brand Familiarity					

17. Have you ever switched dairy brands (moved your purchase from one brand to another) for any reason in the past three years?

- Yes       No

18. Would you like to switch your brand preference if you get some promotional scheme with another brand?

- Yes       No

19. Give reason for switching brand?

- Price       Quality       Accessibility  
 Advertisement       Ambience       Availability  
 Others (specify)

20. If advertisement plays a role in switching brands, which media influenced you most?

- Television  
 News paper  
 Pamphlets

Word of mouth

Others (specify) \_\_\_\_\_

21. Have you purchased any dairy brands recently after coming across any advertisement?

Yes

No

22. If yes, in what way has the advertisement influenced you?

Better Recall

positive impression

Interest

Better exposure

23. State your comments on the general condition of dairy product markets in Addis Ababa

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**Thank YOU!!!!**

## Append 2

### Questionnaire for Studying Factors Affecting Consumers' Brand Preference of Dairy Products in Addis Ababa Outlet shops

*Dear respondent: Please be assured that the information you share is to be used only for academic purpose and nothing more than that.*

#### Biography of the outlet shop

Date of interview: \_\_\_\_\_

Name of interviewer: \_\_\_\_\_

Name of interviewee: \_\_\_\_\_

Job position: \_\_\_\_\_

Length of stay in the company: \_\_\_\_\_

Name of the company (Outlet shop): \_\_\_\_\_

Location (Woreda): \_\_\_\_\_

Category: a) Hypermarket b) Supermarket c) Minimarket d) Kiosk

Duration in the business: a) Less than 2 yrs b) 2-5 yrs c) 6-10 yrs d) More than 10 yrs

Does the shop sell dairy products to end users (consumers)?

Yes  No

If yes, types of dairy products sold:

a) Fluid milk b) Powdered milk c) Butter d) Cheese e) Yogurt

1. Mention if sales volume of the following dairy products increased/decreased/constant in the past three years:

S.No.	Dairy product	Increased significantly	Increased moderately	Constant	Decreased moderately	Decreased significantly
1	Fluid milk					
2	Yogurt					
3	Butter					

4	Cheese					
5	Powdered milk					

2. Mention if supply of the following dairy products increased/decreased/constant in the past three years:

S.No.	Dairy product	Increased significantly	Increased moderately	Constant	Decreased moderately	Decreased significantly
1	Fluid milk					
2	Yogurt					
3	Butter					
4	Cheese					
5	Powdered milk					

3. Mention if imported stock of the following dairy products increased/decreased/constant in the past three years:

S.No.	Dairy product	Increased significantly	Increased moderately	Constant	Decreased moderately	Decreased significantly
1	Fluid milk					
2	Yogurt					
3	Butter					
4	Cheese					
5	Powdered milk					

4. Mention if brand marketing of dairy products increased/decreased/constant in the past three years

S.No.	Dairy product	Increased significantly	Increased moderately	Constant	Decreased moderately	Decreased significantly
1	Fluid milk					
2	Yogurt					

3	Butter					
4	Cheese					
5	Powdered milk					

5. List 5 other merchandise apart from dairy products that the outlet shop sells in order of sale size. Rank from 1 to 5: 5-Largest size (1-Smallest size)

Merchandise	Rank				
	5	4	3	2	1

6. List 5 dairy brands in the order of preference by customers. Rank from 1 to 5: 5- Most preferred (1-Least preferred)

Dairy product	Brand names in order of Preference (5= most preferred; 1 = least preferred )				
	5	4	3	2	1
Fluid milk					
Powdered milk					
Cheese					
Butter					
Yogurt					

7. List 5 dairy brands in the order of sales volume. Rank from 1 to 5: (5-Largest sale 1-Smallest sale)

Dairy product	Brand names in order of sales volume (5= Largest sale; 1 = Smallest preferred )				
	5	4	3	2	1
Fluid milk					
Powdered milk					
Cheese					
Butter					
Yogurt					

8. Rank the level of influence of the following marketing strategy on the consumption pattern of dairy products by your customers

Marketing strategy	Level of influence ( 5 = greatest influence; 1 = least influence)				
	5	4	3	2	1
Scale of the outlet shop					
Ambiance of the shop					
Reputation of the shop					
Service efficiency/speed					
Product availability					
Product variety					

Product price					
Advertisement					
Accessibility					
Sales promotion (discount, Coupon, etc.)					

9. Rank the level of influence of the following product features on the consumption pattern of dairy products by your customers

Product feature	Level of influence ( 5 = greatest influence; 1 = least influence)				
	5	4	3	2	1
Brand name					
Brand image					
Product quality					
Packaging material and design					
Information on package label					
Source (local/imported)					
Fat content					
Taste/smell					
Appearance (fluid/powder)					
Presentation (packed/fresh)					

Product nature (Organic/inorganic)					
Brand Familiarity					

10. Rank the level of influence of the following demographic factors of your customers on the consumption pattern of dairy products

Demographic factor	Level of influence ( 5 = greatest influence; 1 = least influence)				
	5	4	3	2	1
Age					
Gender					
Marital status					
Income					
Nationality					
Education					
Occupation					
Family size					

11. Rank the level of media influence for brand preference of your customers

Rank \ Media	5	4	3	2	1
Television					
Newsletter					
Pamphlets					
Word of Mouth					
Others (Specify)					

12. What are the unique characteristics (competitive strategy) of your shop which you think make customers loyal to your shop/brand?

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13. What challenges do you face from your competitors selling dairy product brands?

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14. What do your customers appreciate about your dairy brands &/or marketing strategy?

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15. What do you think your customers would like you to provide/improve regarding your brands &/or marketing strategy?

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16. What are the opportunities for dairy brand marketing in general?

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17. What are the challenges for dairy brand marketing in general?

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**Thank YOU!!!**