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Addis Ababa University
School of Commerce
Department of Marketing Management

Factors Influencing Consumers Brand Preference of Beer Consumption in Ethiopia

*A Research Submitted to School of Commerce,
Addis Ababa University
In Partial Fulfilment of Masters of Arts Degree in Marketing Management*

Submitted By: Lidya Negassi

*Date: June 2024,
Addis Ababa*

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Ethiopia**

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**A Thesis Submitted To Addis Ababa University School of Commerce in Partial
Fulfilment of The Requirement For The Degree of Master of Arts in Marketing.**

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STATEMENT OF CERTIFICATION

This is to certify that Lidya Negassi has carried out her thesis on the topic entitled '**Factors Influencing Consumers Brand Preference of Beer Consumption in Ethiopia**'. This work is original in nature and suitable for the award of Masters of Arts in Marketing Management.

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STATEMENT OF DECLARATION

I declare that this research is my original work, prepared under the guidance of Mulugeta Gebremedhin (PHD). All sources of materials used for this research have been duly acknowledged and submitted for the award of Masters of Art in Marketing Management.

Lidya Negassi

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Abstract

The primary goal of this study is to determine and look into factors that influence customer brand preference in beer consumption. Brand preference refers to a consumer's desire to choose one product over another assuming price equality and availability are the same.

The research comprises all of the beer brands that are sold, available, and purchased by the general population in Ethiopia's beer market. "What factors initiates a person to prefer any one beer brand over the other?" The research's main focus was the implementation of six independent variables that are put as determinants of brand preference, placed as three variables attributed as brand specific variables (Perceived Quality, Promotion, Emotional Value) and another three as general consumer variables (Brand Consciousness, Reference Group Influence, Consumer Situational Variation). And from this vantage point, the research seeks to demonstrate their relationship with one another as well as their overall brand preference. The survey included 384 beer consumers from various regions of Addis Ababa who were chosen from a variety of venues, ensuring that the findings were representative of the bulk of the population. Of these respondents, 383 questioners were examined and provided for analysis and discussion. All research hypotheses were accepted and supported.

The research instrument was validated and checked for reliability. Some of the major findings of the study can be stated as: the most preferred beer brand in the market currently is Habesha beer followed second by a close difference is Heineken beer the rest follow accordingly. Beer brand variety preference also differs with gender. Also some brands are more preferred by young people while others by different age groups.

The findings revealed that the variables chosen as determinants in consumer beer consumption represented their influence on brand preference. The implications of this finding are that beer manufacturers who want to stay on the cutting edge and increase brand preference should consider perceived quality as a major determinant when designing products for consumers, as well as emotional attributes of their products. Also, understand that consumer preferences vary depending on the situation. In terms of brand promotion, emphasize a social typesetting with the social media advertisement and depict a friendship situation. They should emphasize social groups and capitalize on this by segmenting their markets into separate social classes.

Key words: *Perceived Quality, Brand Consciousness, Reference group Influence, Emotional value, Brand preference and Beer consumption.*

CHAPTER ONE

1. INTRODUCTION

1.1 Background of Beer industry and market in Ethiopia

The founding of the St. George brewery marks the beginning of the Ethiopian brewing industry, which dates back 100 years. Over the previous three decades, the market has grown as a result of several market entrants and acquisitions. In Ethiopia, the first brewery opened its doors in 1922, and by 1996, there were six. The brewing division of France's Castel Group, BGI Ethiopia, joined the market in 1997 and built the country's seventh brewery, St George Brewery, acquiring the first the following year. This marked the beginning of private investment in the industry. Local breweries debuted when the market opened, and foreign investors—among them international companies like Heineken and Diageo—tapped into it by green field and acquisition investments. More than a dozen brewers are currently offering a progressively wider range of beers and non-alcoholic malt drinks on the market. (Askoinsight, 2022)

In Ethiopia, beer now makes up 98.9% of all alcohol consumed, with an average adult expected to drink 18.4 liters in 2022. This is a little more than the average adult consumption in Sub-Saharan Africa (SSA) (Wikipedia), where it is approximately 18.2 liters. This has made it possible for the beer business to grow. Ethiopian beer consumption was predicted to rise from 1.3 million metric tons in 2021 to 1.5 million metric tons by 2026, a 2.3% annual growth. Demand has increased annually by 1.6% since 2017. In 2021, Ethiopia came in at number 26, trailing just Ukraine's 1.3 million metric tons. Germany, Brazil, and the United States occupied the top three positions. Ethiopia is expected to produce 1.9 million metric tons of beer by 2026, an average increase of 3.3% annually since 1998. Ethiopia came in at number 27, trailing just Peru's 1.6 million metric tons in 2021. The top three countries were Mexico, Brazil and the United States.

(<https://www.reportlinker.com/clp/country/87/726253>)

When giants like Heineken and Diageo entered the market in 2011, the market share started to change, and the competition between the two became fierce as they took market share. At the moment, United Beverages (Ethiopia), Raya Brewery, Habesha Brewery, Dashen Brewery, Zebidar Brewery, Kombolcha Brewery, Heineken Ethiopia, and Meta Abo are a few of the top businesses in the Ethiopian beer market. In terms of volume and value, Kombolcha Brewery held the biggest market share for beer in Ethiopia in 2022.

With a variety of over 300 foreign and regional beers, Heineken is one of the biggest global brewers. With a 5.6 million hectolitre annual capacity, it is the largest manufacturer of beer in Ethiopia, specialising in local and specialty beers and ciders across the globe. In 2011, it paid 163.4 million dollars to purchase the breweries "Bedele" and "Harar," which were previously held by the government.

Three years later, Heineken inaugurated its new brewery at a green field site near Kilinto in Akaki Kaliti District, Addis Ababa, where it has been producing its Walia brand since September 2014. Additionally, the massive brewery just formally launched "BERTAT," a non-alcoholic energy drink, to the Ethiopian market in 2022. Heineken currently produces a variety of beer brands in its three breweries located in various parts of Ethiopia. The beer brands "Harar," "Sofi," and "Bucker" are produced by the Harar brewery; "Walia," "Bedele," and "Bedele special" are produced by the Bedele Brewery; and "Heineken," "Walia Radler," and "Hakim Stout" are produced by the Kilinto brewery.

The oldest foreign entry in the industry, BGI Ethiopia is a subsidiary of the French beverage company Castel Group. It was the second-largest producer as of the end of 2021 and made its initial investments in the industry with Kombolcha Brewery and St George Brewery in the late 1990s. With the opening of Hawassa Brewery in 2011, Heineken broadened its selection of brewers when it entered the market. BGI would make two further investments in the industry over the next ten years: in 2017, it paid \$88 million to acquire a 58% share in Raya Brewery, and in 2019, it paid \$88 million to entirely acquire Zebidar Brewery. Zebidar Brewery was founded in January 2017 as a joint venture by local partner Jemar Hulugeb Industry and Belgium's Unibra, thanks to a \$53.2 million investment.

After being purchased by Diageo in 2012, the once-state-owned Meta Abo Brewery which was founded on June 28, 1967—was able to expand its production to 1.67 million hectolitre a year. In 2022, the Meta Abo brewery became a part of BGI. These days, BGI Ethiopia runs the greatest number of breweries, with six locations, and can produce over 4.3 million hectolitres annually. Kombolcha Brewery produces Castle beer with a production capacity of 1.5 million HL annually, while St. George brewery produces St. George beer with a production capacity of 550,000 HL annually. The largest brewery constructed by BGI Ethiopia, the Hawassa brewery, can produce 1.5 million HL of beer annually and is known for its "Doppel" beer. The fourth BGI brewery is known as Raya brewery.

It was founded in 2012 by BGI Ethiopia (60–40%) and Raya Share Company, and BGI eventually purchased it in its entirety in 2017. The "Amber" beer was produced by Raya Brewery, which has an annual production capacity of 600,000 HL. The fifth brewery is the Zebidar brewery, which BGI acquired in 2018 and brought into the family of BGI brands. The brewery makes the non-alcoholic beer "Sin'q" and has an annual production capacity of 350,000 HL. The MetaAbo brewery, which makes the "Meta" beer, is the sixth brewery.

(<https://bgiethiopia.com/about#wwd>)

Dashen, the third-largest brewer with two breweries and a production capacity of 2.9 million hectolitres, is the oldest locally owned brewery, having been in operation since 2000. In 2012, TIRET Group, a local endowment fund, partnered with UK-based investors Vasari Global and Duet Group to purchase a 51% share in the company. Dashen was able to grow and open a second brewery in 2015 thanks to the foreign funding. It has two breweries, Dashen- Debrebirhan brewery and Gondar brewery, which make three different Dashen beer varieties.

With an annual capacity of 1.7 million hectolitres, global beverage giant Diageo ranked as the fourth-largest producer in the nation, all from a single production facility. It made its market debut in 2012 when it invested \$225 million to buy Meta Abo Brewery. The brewer, which had been in operation since 1967, increased its output from 50,000 to 350,000 hectolitres as a result. Diageo-Meta Abo tripled its output in 2015 and became the fourth-largest producer as part of a larger development. Diageo agreed to sell the Meta Abo brewery to Castel Group in January 2022, marking the most recent action in the market. The Ethiopian Competition Commission approved the agreement in October 2022. The sale makes BGI the country's largest producer, with the addition of Meta Abo to its stable bringing total production capacity to 6 million hectolitres, based on currently available figures. United Beverages, a collaboration between the Ethiopian family-owned company Kangaroo Plast and the Mauritius-based company United African Beverages, joined the market in 2016 and is currently the fifth-largest brewer. The company's management stated that they had invested \$53.4 million in the business at the time. United produces Anbessa and Walia beers, the latter of which was released in November 2021, and has an annual capacity of 1.6 million hectolitres.

With a production capacity of 850,000 hectolitres, the locally owned Habesha Brewery completes the market. It entered the industry in 2015. Dutch brewing business Bavaria owns 60% of it. It makes Kidame beer and Habesha beer.

The industry has been impacted by recent regulatory developments. The Ethiopian government implemented new rules in 2019 that prohibited the promotion of alcohol on TV, radio, and billboards. These limitations had an impact on the marketing strategies of both new and established companies. The enactment of a measure to raise the duty on beer came first in 2020.

These actions presented difficulties for brewers, who experienced a decline in market demand as costs increased and earnings decreased. Market participants have been adjusting to the new environment by boosting productivity and customizing their goods to suit the shifting demands and tastes of the consumer base. Diageo, for example, implemented automation technology to control labour costs and minimize waste in manufacturing operations. In addition, the brewer spent \$14 million to build out its malt drink production facilities and start using plastic bottles for its Guinness Malta.

A growing number of consumers are switching to low- or non-alcoholic drinks due to changes in customer expectations, which has forced producers to adapt their strategies. Negus Malt, a non-alcoholic beer flavoured with coffee and the traditional medicinal plant tenadam, was introduced by Habesha in 2019. A year later, in 2020, BGI introduced SEN'Q, its first non-alcoholic malt-based beverage. The new brands complement Sofi and Buckler, Heineken's current non-alcoholic options. (<https://www.asokoinsight.com/content/market-insights/ethiopia-breweries>)

1.2 Statement of the Problem

While the Ethiopian beer sector appears to be gaining traction in the nation's economy, little is known about it, particularly in terms of its marketing aspects. This could be connected to the industry's recent growth. In order for marketers to respond appropriately, a comprehensive scientific investigation is necessary given the evolving industry landscape, which now includes both domestic and international companies.

This specific study aimed to fill the knowledge gap about the factors that influence brand preference in the Ethiopian beer industry, as there is currently little information available. The study is carried out in Addis Ababa, where it is believed that there are 988,356 prospective beer consumers. (Dashen Brewery, 2010)

Both marketers and researchers have shown interest in comprehending and forecasting consumer decisions around brand choice. Studying brand choice entails figuring out how consumers choose brands across different product categories (Bentz, Y. and Merunka, D. , 2000). Whereas brands were once thought of as distinct items with unique qualities, they are now seen as identities and personalities with unique meanings that are fundamental to the consumer. (Ballantyne, Warren, and Nobbs (2006).

It has been suggested for decades by theorists that customers' past brand experiences may influence their willingness to pay for brands today (Bronnenberg, Bart J.; Dubé, Jean-Pierre H. and Gentzkow, Matthew, 2010). The findings of this study suggest that willingness to pay may depend on past consumption, which may directly affect expected utility through switching costs or quality-related attitudes. The choice of brand could be influenced by prior exposure to advertisements or previous observations of other people's conduct, which cited Berkman et al. (1997), childhood events can completely shape an individual's brand choices.

Comparably, a study carried out in Kenya revealed that marketers' attention has been diverted to constant environmental scanning in order to look into the trend of consumer preferences due to the constantly fluctuating market environment (Ali, 2014). According to research conducted in Thailand by (Ramasut, Nattakarn and Saranpattaranon, Suteera, 2009), consumers' attitudes and perceptions around beer drinking are crucial in determining which brand they choose. Additionally, they demonstrate how important demographic elements like sex, socioeconomic status, and occupation are in shaping consumer brand preference. (Ritter, 2008), on the other hand, ranked marketing strategy as the single most important element influencing consumers' brand preferences.

The Ethiopian beer market had a limited number of beer brands a few years ago. Several breweries, such as St. Georgies, Castel Beer, Dashen, Walia, Meta, Bedele, Harar, Habesha, Zebidar, Heineken, and Raya Beer, are currently producing millions of hectoliters of beer under various brand names. Thus, the expansion of the beer industry's output as well as the presence of a wide range of brands in the marketplace indicates rivalry.

Because of this, there are a lot of options available to customers when it comes to selecting a beer in this game. Therefore, the study has determined which variables, particularly in the Addis Ababa area, have the biggest impact on Ethiopian consumers' brand preferences in the beer business.

In general, consumer preferences for particular brands of beer products can be influenced by a variety of factors, including the beer's quality, price, and influence from reference groups, emotional appeal, and advertising, as well as the location of production, cultural, social, and psychological aspects. This study has determined which variables most influence consumers' decisions to choose one brand over another.

Different demographic groupings (age and gender), genetics (taste status, sweet liker status), psychological and behavioural variations are all taken into account by the "consumer" variable.

Thus, this study has determined the variables affecting Ethiopian beer consumers' brand preferences. The survey encompassed the geographic region of Addis Ababa, where beer sales are particularly strong nationwide. The primary references to beer consumption by consumers are perceived quality, brand consciousness, reference group influence, emotional values, promotion, and situational variation of the consumer. The econometric approach was used in this study to produce a stronger generalization. Therefore, it's critical to carry out additional research those results in improved generalization in light of these limitations.

Because of this, the investigation was carried out utilizing the preferences and intentions of beer customers for pertinent components. Perceived quality, Brand consciousness, Reference Group influence, Emotional values, Promotion and Situational Variation of the consumer.

1.3 Research Questions

The study presents answers for the following research questions;

- What is the effect of perceived quality on consumers' brand preference of beer in Ethiopia?
- To what extent does Brand Consciousness influence consumer brand preference of beer in Ethiopia?
- How do reference groups affect consumers' brand preference of beer in Ethiopia?
- What is the influence of emotional values on consumers' brand preference of beer in Ethiopia?
- What is the effect of promotion on consumers' brand preference of beer in Ethiopia?
- What is the effect of consumers' situational variation on consumers' brand preference of beer in Ethiopia?

1.4 Objective of the study

1.4.1 General Objective:

The main goal of this study is to identify the factors influencing Ethiopian beer customers' brand preference.

1.4.2 Specific objectives

The specific objectives of the study include:

- To examine the effect of perceived quality on consumers' brand preference for beer in Ethiopia.

- To identify the relationship between Brand Consciousness and consumer brand preference for beer in Ethiopia.
- To evaluate the effect of the reference groups on consumers' brand preference for beer in Ethiopia.
- To determine the influence of emotional values on consumers' brand preference for beer in Ethiopia.
- To analyse the effect of promotion on consumers' brand preference for beer in Ethiopia.
- To examine the effect of consumers' situational variation on consumers' brand preference for beer in Ethiopia.

1.5 Significance of the study

Due to the recent entry of large corporations like Heineken and Diageo, who have acquired the Bedele, Harare, and Meta breweries, respectively, the market for beer manufacturers in Ethiopia has grown extremely competitive. The beer market is overflowing with options for consumers to select from.

In competitive markets such as these, it is imperative for manufacturers to comprehend the factors that lead consumers to choose one brand over another. In this way, the study aims to pinpoint the factors that matter most when it comes to customers' choice of beer brand. The study's findings can help manufacturers determine which factors are most crucial for retaining customers. By examining six significant characteristics that can result in a consumer's preference for a specific brand of beer, it also contributes to the body of literature already available on factors that influence brand preference.

Nearly every drinker of every beer brand in Ethiopia will be included in the survey. Therefore, it may be concluded that the results will hold true for all Ethiopian beer brands. Additionally, the study will be helpful for future research applications, for better understanding the Addis Ababa beer consumer's perspective on beer brand selection, and for business managers, marketers, and manufacturers.

1.6 Scope of the Study

The study focus is restricted to Addis Ababa consumers, which does not fully capture the diversity of Ethiopian consumers. Due to time and financial constraints, the study only covers a portion of Addis Ababa. Even so, these locations have been carefully selected to provide the finest possible

representation of the city as a whole. These include the city's main, busy pubs and restaurants, beer distributors, retail stores, and supermarkets.

Another restriction is that each customer is unique and that different experiences in both personal and social groups may have influenced the beer that they enjoy. While evaluating every component that may influence a person's choice for beer is not feasible, in this study it evaluated the key elements and attempts to spot a pattern that may be further investigated to gain a more comprehensive understanding.

1.7 Limitation of the Study

Even though the research examines all beer brands available in Ethiopia, it was only able to look at Addis Ababa customers. The investigation was limited to the regional areas surrounding Addis Ababa due to time and financial constraints. Studying brand preference and its factors only involves clients in this particular geographic market region. Furthermore, convenient sample were used in the study, yet it may not be entirely representative of the population. Participants were chosen according to their availability and desire to take part, therefore the sample was not sufficiently diverse to fairly represent the community under study

1.8 Definition of Terms

A. Perceived quality

Perceived quality is described as the consumer's judgment about a product's overall excellence, esteem or superiority of brand relative to alternative brands (Aaker, 1991).

B. Brand consciousness

Brand consciousness is the notion that 'brands play an important role in the psychological process that precedes the buying act (Marx, 1995).

C. Reference Group influence

Reference groups are those with which a person identifies, those who's presumptive viewpoint or values the person is basing their current behaviour on (Mordern, 1991).

D. Emotional values

Emotional value is defined as the benefit derived from the feeling or affective states (i.e. enjoyment or pleasure) that a product generates, Sweeney & Soutar (2001)

E. Promotion

Promotion is the advertised product and brand as well as the content of the advertisement that determine greater or lesser memory retention among the consumers (Royo-vela, 2005)

F. Situational Variation of the consumer

Situations Variation of the consumer is defined as those factors particular to a time and place of observation which have demonstrable and systematic effects on behaviour. (Belk, 1974)

1.9 Organization of the paper

The study is organized into five chapters. Chapter one outlines the background of the study, statement of the problem, objectives of the study, research questions, scope of the study, significance of the study and limitations of the study. Chapter two, review of related literature in the area of brand reference theoretical and empirical framework, including conceptual framework and research hypothesis are presented. Chapter three is about the methodology of the study. Chapter four is about data analysis result and discussions. And the last chapter focuses on the summary of major findings, conclusions and recommendations.

Chapter Two

1. 2. Review of related literature

2.1 Brand

Brand is a trade mark or label used by a marketer to identify their product than other competitors. It also can be the name associated with one or more item in the product line that is used to identify the source or character of the items. According to the American marketing Association brand can be identified as a name , term, sign, symbol or a combination of them, intended to identify the goods or service of one seller or group of sellers and to differentiate them from those of its competitors (American Marketing Association, 2004)

A brand according to (Batra, Rajeev and John G.Myers, 1996) is not just a name or a symbol, but realty that stands for image, thought, feelings and more. There are a set of intervening variables in branding, which include brand awareness, brand comprehension, brand image and personality, brand attitude, associating feelings with brands or user experiences and complex models.

Branding can be a powerful means to secure competitive advantage. (Klein, Taking Aim at the Brand Bullies, 2000).According to (Maureen and Jacob, 2000) a brand offers the firm legal protection for unique features or aspects of the product.

Brands have been used for centuries to distinguish the goods of one producer from those of another, as pointed out by (Wiley, 1992). Additionally, brands identify the source or maker of a product and allow consumers, whether individuals or organizations, to assign responsibility for its performance to a manufacturer or distributor, (Suri Rajneesh Suri and Manroe B. Kent , 2003),

According to (D., Ogilvy on Advertising, 1983) Brand is the intangible form of a products' attribute: its name, packaging, price, its history, culture, its reputation and the way it is advertised.

According to (Kapferer J. , 1992) a brand is defined as a living memory, a genetic program that imbues products with meaning, transforming mute products into purposeful entities that instruct consumers on how they should be interpreted. (Kapferer J. , 2008) further elaborates that a brand serves as both a prism and a magnifying glass through which products can be decoded.

According to (Zyman, 2002) a brand is the original way to scale an idea, to make it grow, to get the word out about the product. Brands give buyers a way to tell one nearly generic product from another, and they give buyers a reason to buy. (Ries, 2003) Defines brand as a singular idea or concept that is owned inside the mind of the prospect. (Parameswaran, 2004), added that it is the amalgam of the physical product and the notional images that make the brand. According to him, Brand = Product + Images.

According to (Murphy, 1990), brand is a complex phenomenon. It is not only an actual product, but also the unique property of a specific owner and has been developed overtime so as to embrace a set of values and attributes, both tangible and intangible-Which meaningfully and appropriately differentiate products which are otherwise very similar. As consumers have become more complicated, rushed and time starved, the ability of a brand to simplify decision making and reduce risk is invaluable (Suri Rajneesh Suri and Manroe B. Kent , 2003)

With the increasingly fierce competition, brands have been put in a significant position. Therefore, it is reported that managers concentrate on the target to build “strong” brands (Aaker, 1991), the creation of brand needs: passion, wisdom and faith. Strong brand depends on the brand of leadership: Position is the direction; Balance is a strategy.

In brief, brands are the level of awareness of consumers for enterprises’ products. Exactly it is an evaluation of the value of a business and its products, service, culture. It is a trust established between consumers and enterprises. The brand is a manifestation and representative of the quality of a commodity which can distinguish it from the con-generic product. When people think of a brand, for example, Walia Beer, they connect it with Ethiopian football team, Patriotism, Ethiopian New Year, high Quality for low price and the value which is associated with the brand. When the brand culture is recognized and received by the market, then it has generated its market value and has gained preference by the consumer.

2.1.1 Origins of Brand

Although the brand concept is ancient, as noted by (George s. Low and Ronald A. Fullerton, 1994)), it was around 1870 that American business leaders began to develop branded products. By 1915, brands were well established in American consumer life. The economic boom following World War II also triggered the explosion of new products and brands.

According to (Rajendra Strivastaa and Greg Metz Thomas, 2003) the word "brand" is derived from Old English, meaning "burning stick," originating from the Indo-European word for "to be hot." Livestock branding was used by ancient Egyptians as early as 2700 BC as a theft deterrent to identify stolen animals. Johnson (1984) added that Egyptians, Greeks, Romans, and Chinese all employed various forms of stamps or markings to indicate the makers of items such as pottery or bricks. These marks not only signalled quality but also attributed responsibility in case of product issues.

2.2 Consumer Behaviour

Consumer behaviour refers to the study of how a person buys products. However, this is only a part of the definition which involves understanding the set of decisions (what, whether, why, when, how, where, how much, how often) that an individual or group of consumers makes over time about the acquisition, use, or disposition of products, services, ideas, or activities. In total, it reflects the consumer's decisions with respect to acquisition, consumption, and disposition of goods, services, activities, and ideas by (human) decision-making units (over time). Therefore, consumer behaviour can be defined as:

“The decision process and physical activity engaged in when evaluating, acquiring, using or disposing of goods and services.” McInnis & Hoyer (2008).

Consumer behaviour blends elements from psychology, sociology, social anthropology, marketing and economics. Consumer behaviour attempts to understand the buyer decision making process, both individually and in groups. It studies characteristics of individual consumers such as demographics and behavioural variables in an attempt to understand peoples' wants. It also tries to assess influences on the consumer from groups such as family, friends, reference groups and society in general, McInnis & Hoyer (2008).

Consumer behaviour is deeply influenced by the demographics and household structures, needs, emotions, values and personality, group influences, information processing and decision making along with purchase behaviour. That has a great effect on the regulatory policies made to protect customers and the marketing strategies made to satisfy target consumer needs. Furthermore, it also sheds light on how the consumers appraise the products after the purchase and the effect of evaluations on their future purchases, McInnis & Hoyer, (2008).

Consumer's purchases are strongly influenced by cultural, social, personal and psychological characteristics. Understanding the behaviour of consumers before they made purchase decision will

help for product manufacturers and service providers to develop strategies in line with customers' actions. Particularly knowing what makes customers to prefer between brands will make the manufacturer to adapt strategies based on the influential factors. But being unable to analyse the antecedents hinders companies from being competitive. Hence, understanding the behaviour of consumers specially the antecedents of brand preference has to be a critical issue and concern for strategic developers, McInnis & Hoyer (2008).

2.3 Social Influences on Consumer Behaviour

Many people learn about products through advertising, the Internet, publicity, samples, coupons, personal experience, people, and other sources. Sources of Influence can come from Marketing and non-marketing Sources. Marketing and non-marketing sources can be delivered via the mass media or personally, McInnis & Hoyer (2008).

2.3.1 Marketing Sources of influence Delivered via Mass Media

Marketing sources that deliver influence through the mass media include advertising, sales promotions, publicity, and special events. Companies often generate excitement for new offerings through special events and media coverage. Widespread publicity about Microsoft's Halo 3 video game prompted 1 million consumers to pre-order the game months before its launch. In the days leading up to its actual introduction, thousands of consumers formed long lines outside stores to get their copies when the game went on sale at midnight, McInnis & Hoyer (2008).

2.3.2 Non Marketing Sources of influence Delivered Personally

Consumer behaviour is influenced by non-marketing sources who deliver information personally. Consumer behaviour can be affected by observing how others behave or by word of mouth, information about offerings communicated verbally by friends, family, neighbours, casual acquaintances and even strangers. According to a Consumer Electronics Association survey 64% of adults find out about new electronics products by talking with friends, family, or work associates; 65% of adults ask these people for recommendations when starting to research electronics purchase, McInnis & Hoyer (2008).

2.3.3 Reference Groups as Sources of Influence on consumer behaviour

Social influence is exerted by individuals such as opinion leaders as well as by specific groups of people. A reference group is a set of people with whom individuals compare themselves for

guidance in developing their own attitudes, knowledge, and/or behaviours (McInnis and Hoyer, 2008).

2.4 Consumer Decision Making

2.4.1. BPM (Behavioural Perspective Model) of Consumer Decision-Making

(Foxall, 1993), has created a model of purchase and consumption, more known as the Behavioural Perspective Model (BPM). It relates an outline of consumer decision-making to different types of environmental consequences.

The figure below is a summarized view of the BPM. Firstly, preceding consumer behaviour events take place, which form the behavioural setting. This involves physical, social and sequential elements, which generate a particular behaviour. Furthermore, previous behaviour (consumer's learning history) of the consumer is considered, which results in either a positive or a negative approach to the purchase. Something that is not included in the figure, that (Foxall, 1993) explains when describing the model, is the consumer's state variables. These variables portray the consumer's state, such as mood, monetary ability and health.

According to (Foxall, 1993), these variables cause specific behaviours that have three different types of outcomes: hedonic reinforcement, which is the consumer's utility or satisfaction; informational reinforcement, which, for instance, depicts the social status gained through the purchase; and aversive stimuli, which are the costs associated with consumption.

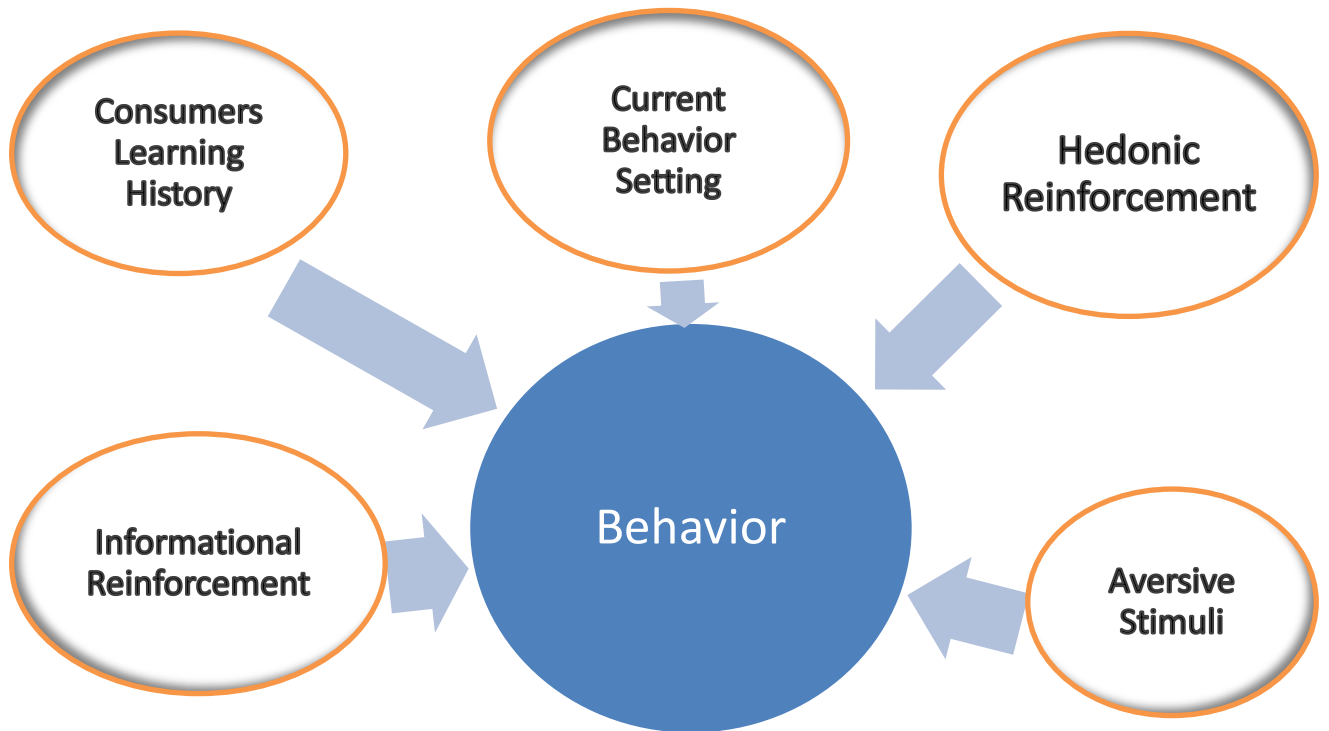


Figure 2. 1 Behavioural perspective model (BMP) (Foxall, 1993)

2.4.2 Consumer Decision Making Based on Involvement

It is important to remember that consumers decide whether or not to become involved with a product; hence, product involvement is a reaction by the consumer to a particular product rather than a result of the product's intrinsic qualities (Quester, Pascale and Lim, Ai Lin, 2003).



Figure2. 2 Four types of consumer behaviour (From: Assael, 1994, p.)

On (Figure 2) as an explanatory division of consumer decision-making based on involvement and the degree to which a decision is necessary. The inertia (lower right-hand box) in the above matrix is signified by decisions made with little information processing, followed by an evaluation of the brand after the purchase. (Assael, 1994). This is comparable to a consumer who is unwilling to make a decision, and as long as repeated purchases of the same brand reach a minimum level of satisfaction, the consumer is unlikely to change behaviour. Studies have shown that the best way to succeed with products in this part of the matrix is through creation of brand awareness (best accomplished by repeat advertising) to change consumers' beliefs, since beliefs is the primary variable on which consumers act in this part of the matrix (Assael, 1994)

If a new product is introduced or the consumer begins to seek variety, limited decision-making may occur, causing them to depart from the previously mentioned inertia. Remember, though, that this is

based on passive learning because there is no active information seeking or brand assessment going on. Customers typically view the products in this area of the matrix as insignificant or uninteresting (Assael, 1994)

2.5 Brand Preference

Brand preference is a measure of brand loyalty in which a consumer will choose a particular brand in presence of competing brands, but will accept substitutes if that brand is not available. The extent degree of to which consumers prefer one brand over another. It is the percentage of people who claim that a particular brand is their choice. It represents which brands are preferred under the assumption of equality of price and availability.

Customers now have more options, knowledge, and expectations than ever before in every product area. Brands must deliver on their value proposition and dislodge a current preference in order to transition consumers from trial to preference. Brands can go up, down, or even off a preference scale with or without an attentive management approach.

Theories of adoption have often been used to explain how consumers form preference for various goods and services (Rogers, 1995). Generally, those theories emphasize on the importance of relative advantage, risk, loss, social approval, product characteristics. Equally, several studies have long speculated that brand preference could be a function of past consumption which could enter expected utility directly, Becker & Murphy (1988). It can be through the switching cost or through the beliefs about quality (Schmalensee, 1982). It could depend on past exposure to advertising, or past observations of the behaviour of others as in, Ellison & Fundenberg (1995). At the extreme, brand preference could be entirely determined by experience in childhood, Berkman, Lindquist & Sirgy (1997). All have tremendous impact on the position of our brand in the consumers preference set, but the relative importance of each factor depends on the nature of industry under consideration, location and social characteristics of the consumer of different brands.

Purchase intention is the willingness of a consumer to buy a particular product (Dodds, W.B., Monroe, K.B. and Grewal, D., 1991). Research on predictors of purchasing behaviour has confirmed that consumers usually hold prior purchase intentions before they behave. Social psychology suggests that intentions should be the best predictor of individual behaviour, because purchase intentions reflect the consumer's own expression of purchase probability, independently of other relevant factors that could affect consumer behaviour and decisions (Young L., Kim K. and Forney J, 2006)

2.6 Determinants of Brand Preference

Brands signify a certain level of quality so that satisfied buyers can easily choose the product again and it enhances the value of a product beyond its functional purpose, (Erdem, T. and Sawit, J., 1998). A brand can catalogue the functions of a brand for a consumer, (Kapferer J. , 1992). The consumers can have many reasons for buying a given brand. The reasons could be rational, emotional or self-expressive or the combination of three.

Criteria for brand/product choice may relate to either utilitarian criteria (objective, economic, rational and functional) or hedonic criteria (subjective, emotional, irrational and symbolic). Examples of utilitarian criteria are low price, warranty, product features and well-known brand name. Hedonic criteria include prestige, quality and style etc. Hedonistic Satisfaction is linked with the attractiveness of the brand, to its logo, to its communication. The drivers of purchase are psychographics or personality of a consumer, social context and the functionality or product attributes.

Another research conducted by Davis, Hatch & Roberts (1985) states that “Product choice criteria are defined as the intrinsic (inherent to the product) and extrinsic (product-related but not part of the physical product) product attributes that associated with desired benefits or incurred costs as consumers make buying decision among various alternatives. Intrinsic product attributes are those which cannot be changed without altering the physical characteristics of the product, for example, style, colour, design, appearance, safety, comfort etc. While extrinsic ones are those that are exerted by manufacturers or retailers and do not form the component parts of the product. For example, price, brand, country of origin, warranty etc. in numerous studies even if the determinants purchase decision differ in its name, their basic concepts are similar.

Prior to choice decision or repurchase intention, consumers place a number of attributes in his or her choice sets, in order of importance and relevance. Among these attributes are price and quality, and consumers tend to use price as a proxy to quality (Dodds, W.B., Monroe, K.B. and Grewal, D., 1991).

However, studies also reveal that, besides price and quality, other cues that are also considered as more important to assess the product's worth, are attributes such as brand, store name, past experience, attitude and product information Brand name, for example, often signals as a cue or as a surrogate of product quality use by consumers in their evaluation of goods or services before they decide to purchase. Some researchers argue that the effect of price tends to be stronger when it is

presented alone as compared when it is combined together with brand name (Dodds, W.B., Monroe, K.B. and Grewal, D., 1991)

Consumers purchase/repurchase intention or purchase decision for a product and/or service is driven by various reasons, which can be triggered by rational or emotional arousal (Schiffman, L.G and Kanuk, L.L, 2009).For example, consumers use brands to communicate their self-image or status, and the brand images chosen must be congruent to their own and match to groups they aspire to establish an association with (Bearden, W.O., Netemeyer, R.G. and Teel, J.E., 1989).Similarly, consumers will seek for others who are significant to them for information or wish to associate or bond with, that is, the group social norms with whom consumers aspire to establish a psychological association or bonding such as friends, neighbours and the like (Park, C. Whan, David L. Mothersbaugh, and Lawrence, F, 1994).Besides, other factors, such as price, income, education, and other attributes also contribute to purchase decision/repurchase intention Jamal & Naser (2002).

According to (Young L., Kim K. and Forney J, 2006), determinants of brand preference and intention include:

- Perceived quality
- Brand consciousness
- Reference Group influence
- Emotional values

But for the purpose of this study the need arises to add more variables to the mix because the variables used in the previous research were found to be short coming when studying a type of FMCG (fast moving consumer goods).

Consumer preference is a bit different to diverse kinds of products in different consumer product category, to properly study the general consumer variables and brand specific variables leading to a consumers beer brand preference in the beer industry of Ethiopia the next two independent variables have been added to the mix of independent variables;

- Promotion
- Situational Variation of the Consumer

2.6.1 Perceived Quality

Product quality is defined as “fitness for use” or “conformance to requirement”, Russell & Taylor (2006). Quality is another reason for customers to choose a brand. A paper titled “How Global Brands Compete” by Douglas B. Holt, John A. Quelch, and Earl L. Taylor states that one important factor considered by consumers during the purchase decision is the ‘Quality’. Quality belongs to the product perspective of a brand’s identity (Uggla, 2001). Perceived quality is how a brand’s quality is seen by consumers.

Perceived quality can be measured with such scales as the following: In comparison with alternate brands, does this brand have: High quality, Average quality, or inferior quality?

Perceived quality is described as the consumer’s judgment about a product’s overall excellence, esteem or superiority of brand relative to alternative brands (Aaker, 1991). It is therefore, based on consumers or users (not managers or experts) subjective evaluation of product quality and not on the actual qualities of the products. At the same time perceived quality is at the higher level of abstraction than any special attribute, and differs from objective quality as it is more akin to an attitudinal assessment of a brand-a global assessment of a brands performance related to other brands (Keller, 1993). Perceived quality thus provides consumers a reason to buy by differentiating the brand from competing brands.

2.6.1.1 Consumers Perception of Perceived Quality

Consumers may intend to purchase a particular brand because they perceive the brand to offer the right features, quality or performance benefits and may repeat the purchase of single brands or switch around several brands due to the tangible quality of the product sold (Yang, S., Allenby, M.G and Funnel, G. , 2000).

The perception of high quality may be closely linked to the differentiation and superiority of a particular brand and thus encourage them to choose that brand over competing brands, (Babin, B.J., Darden, W.R. and Griffin, M., 1994) Product quality affects purchase because perceived quality creates personal shopping value and encourages patronage. Higher product quality not only enhances utilitarian value, but rewards the consumer emotionally by providing more gratifying experience (Babin, B.J., Chebat, J-C. and Michon, R., 2004).

Perfectionist or quality consciousness is an awareness of and desire for high quality products, and the need to make the best or perfect choice versus buying the first product or brand available. This

indicates that quality characteristics are also related to performance. The brands that are linked with the high quality will be purchased by the consumers, (Snoj, B., Korda, P.A., Mumel, D, 2004). The consumer who perceives the product to be of higher quality will buy that product in assessment to a product of lower quality. The consumer's implied perception of quality from the brand supersedes its price when he is making purchase decision. (Dodds, W.B., Monroe, K.B. and Grewal, D., 1991)

2.6.2 Brand Consciousness

Brand consciousness is more than simply an awareness or preference for brand names. It is the understanding that brand names, in general, have personal relevance or value in that they serve as a signal of functional or symbolic value. Consumption attitudes are assessed by examining brand consciousness (the notion that 'brands play an important role in the psychological process that precedes the buying act (Marx, 1995).

Brand names are an important factor affecting consumer's purchase decisions, with well-known brands, (Liebeck, 1996) It has been generally observed that young adults are brand conscious consumers most of the time. According to a previous research on "brand consciousness" conducted by Leah Rausch, the level of brand consciousness was found to be significantly different across cultures and demographic characteristics. Females were found to be more brand conscious than males. Based on this study, males generally do not shop as frequently or do not put as much effort into searching for information about product brands. They conveniently choose the brands they recognize and use the name of the brand as a signal of quality. Whereas by generalizing youngsters (Marx, 1995) states that, "college students are decidedly brand conscious". He explained that students are brand conscious and very loyal to their providers. Results of a survey revealed that peer influence was significantly and positively related to brand sensitivity for both girls and boys.

2.6.2.1 Brand Name

Famous brand names can disseminate product benefits and lead to higher recall of advertised benefits than non-famous brand names (Keller, 2003).

There are many unfamiliar brand names and alternatives available in the market place. Consumers may prefer to trust famous brand names. These prestigious brand names and their images attract consumers to purchase the brand and bring about repeat purchasing behaviour and reduce price related switching behaviours, Cadogan & Foster (2000). Furthermore, brand personality provides links to the brand's emotional and self-expressive benefits for differentiation. This is important for

brands which have only minor physical differences and are consumed in a social setting where the brand can create a visible image about the consumer itself.

Consumers are usually able to evaluate each of the products and brand name attributes (Keller, 2003). It is noteworthy that this information is essential for marketing managers to make informed decisions concerning product positioning, repositioning and differential advantages.

According (Kohli, 1996), brand name is the creation of an image or the development of a brand identity and is an expensive and time consuming process. The development of a brand name is an essential part of the process since the name is the basis of a brand's image. Brand name is important for the firm to attract customers to purchase the product and influence repeat purchasing behaviour. Consumers tend to perceive the products from an overall perspective, associating with the brand name all the attributes and satisfaction experienced by the purchase and use of the product.

2.6.3 Reference Group Influence

An average consumer belongs to one group or the other and to a reasonable extent, the group one belongs to or wishes to belong has one purchasing and consumption influence on him or her. Supporting this view is who opine that each consumer is a member of many groups, but those that influence behaviour are called reference group.

Despite having numerous similarities, different authors have defined the term "reference group" in different ways. Therefore, reference groups are those with which a person identifies, those whose presumptive viewpoint or values the person is basing their current behaviour on (Mordern, 1991).

People or groups that help an individual form general or particular values, attitudes, or behaviours are referred to as (Hawkins, D.I., Best, R.J. and Coney, K.A, 2001); people or groups that influence people's attitudes, values, and behaviours are referred to as (Schiffman, L.G and Kanuk, L.L, 2009); individuals or groups that help an individual evaluate themselves and whose standards are used as a basis of comparison for the individual's behaviour are referred to as (Bearden, W.O and Etzel, M.J. , 1982).

According to (Inyanga, 2008), an individual seeks advice from a group, whether actual or fictional, in order to structure their behaviour pattern. Notwithstanding differences in viewpoint, it matters that the person uses reference groups' expectations of behaviour as a framework or guide.

Reference group concept has been used by advertisers in their effort to persuade consumers to purchase product and brands, portraying products being consumed in socially pleasant situations. The use of prominent/attractive people endorsing products, and the use of obvious group members as spokesperson in advertisement (Kotler, 2004) are all evidence that marketers and advertiser make substantial use of potential reference group to influence consumers brand preference in the development of their communications. Alluding to reference groups in persuasive attempts to market products and brands demonstrates the belief that reference group exposes people to behaviour and life styles, influence self-concept development, contribute to the formation of values and attitudes, and generate pressure for conformity and attitudes to group norms.

2.6.3.1 The Concept of social Influence on Purchase Decision

Media, parents, and peers all contribute to adolescent consumer socialization, with the general consensus that peers are the primary influencers, followed by media and parents. Influence by others is a factor that marketers cannot shape. A buyer can be influenced by its culture. It includes values, preferences, and behaviour that a person gets from its family or other institutions. Another factor can be more social. This is where a person is influenced by small groups like membership groups and family, (Kotler, P. and Gary, Armstrong, 2004).Purchase decision can be affected by an attitude of others. Individuals are influenced by others on development of attitudes, interests, norms and purchase behaviour. These individuals conform to group norms or modify their judgments based upon others' evaluations. Personal influence plays a distinctive role in the consumers' decision process. Consumers consult each other for opinions of new products and brands and the advice of other people can strongly influence the buying behaviour. How much personal influence affects the buying behaviour and choice of brand depends on the situation and the individual.

2.6.3.2 School of Thoughts on Social Influence

In one school of thought, social influence is viewed as consisting of three types of influences including informational, value expressive and utilitarian influence, (Bearden, W.O and Etzel, M.J. , 1982). Informational influence is perceived as enhancing one's knowledge of the environment and/or ability to cope with the aspect of the environment, (Park, C. Whan, David L. Mothersbaugh, and Lawrence, F., 1994). It also entails observing the behaviour of others or actively searching for information from others with the appropriate expertise. Informational influence is likely to influence an individual if he or she accepts information from others as evidence about reality and desires to make informed decisions.

Value expressive influence is likely to influence an individual because of the desire to enhance one's ego (Park, C. Whan, David L. Mothersbaugh, and Lawrence, F., 1994).

Utilitarian influence is when an individual comply with the preferences or expectations of others to avoid punishments or achieve rewards, (Bearden, W.O and Etzel, M.J. , 1982)This occurs when the individual perceives that others have the ability to mediate significant rewards or punishments, he or she believes that his or her behaviour will be known to others and is motivated to obtain the reward or to avoid punishment. Value expressive influence is concerned with an individual's motive to enhance his/her self-concept, Park & Lessig (1977).

Another school of thought recognizes two dominant influences namely informational and normative influence (Bearden, W.O., Netemeyer, R.G. and Teel, J.E., 1989). Informational influence has been defined in the discussion of the first school of thought. The unique feature of this school is that utilitarian and value expressive influence are not measurably distinct. In other words, although conceptually utilitarian and value expressive influence could be separated, their measures cannot be separated (Bearden, W.O., Netemeyer, R.G. and Teel, J.E., 1989). Consequently, they have been combined together into a single concept referred to as normative influence. Normative influence is defined as the tendency to comply with the positive expectations of others (Bearden, W.O., Netemeyer, R.G. and Teel, J.E., 1989)

Informational and normative influences also differ in their determinants, the major determinants of informational influences include message content, source credibility and trustworthiness whereas characteristics of reference groups such as appearance and social status are the major determinants of normative influence.

I Informational influence

Informational influence is “the tendency to learn about products and services by observing others or seeking information from others”. Informational influence is perceived as enhancing one's knowledge of the environment and/or ability to cope with the aspect of the environment, Park & Lessig (1977). Informational influence also entails observing the behaviour of others or actively searching for information from others with the appropriate expertise. Informational influence is likely to influence an individual if he or she accepts information from others as evidence about reality and desires to make informed decisions.

II Normative Influences

Normative influence is defined as the tendency to comply with the positive expectations of others (Bachmann, et al., 1993). The need to identify with or enhance one's image in the opinion of others through the acquisition and use of products and brands, the willingness to conform to the expectations of others regarding purchase decisions" (Bearden, W.O., Netemeyer, R.G. and Teel, J.E., 1989). Susceptibility to normative group influence relates to an individual's status consumption and conspicuous consumption tendencies.

2.6.3.3 The Concept of Peer Influence

Peer influence is commonly defined as the extent to which peers exert influence on the attitudes, thoughts, and actions of an individual, Bristol & Mangleburg (2005). However, there exist two schools of thought with respect to the composition of social influence. Purchase decisions are affected by the group influence. When it comes to the selection of brands for identical products, group cohesiveness plays a decisive role in the selection of brand, Witt & Bruce (1972). Alongside group cohesiveness, the member's information about the brand used by other group members also affect decision to quit the existing brand and purchase the brand used by other group members (Witt, 1969). Thus greater the consumer's orientation with the group members, greater will be its impact that he/she will show inclination towards a specific brand used by the group members.

However the decisions of a group member regarding products that is low in visibility, perceived risk and complexity & high in testability is not effected by group influence In collectivist societies, compared to individualist societies, consumers rely more on interpersonal relationships for information search or exchange. This information search or exchange is especially important regarding brand choice because, in a collectivist society, the positive experience with the brand could enhance belongingness to the group (Money et al., 1998). Peers may directly affect college students' consuming behaviour.

Also other studies found a strong correlation between young consumers' product purchase behaviour and peer influence. According to (Feltham, 1998), family influences (especially parental influence) decreased while friends' (including roommates) influences significantly increased on college students' brand choice behaviour. When people, especially college students, are independent from their family, family influences (especially parental influence) significantly decreased while friends influences significantly increased as a source of information (Feltham, 1998; McNeal, 1991; Moschis, et al., 1987).

2.6.4 Emotional Value

Perceived benefits are a combination of different product dimensions (tangible or intangible; extrinsic and intrinsic), available in relation to buy and use of the product (Snoj, B., Korda, P.A., Mumel, D, 2004). Emotional value is the benefit which one gets by experiencing something new or different (Lee, M.Y., Kim, Y.K., Pelton, L., Knight, D., Forney, J. , 2006). Emotional value is defined as the benefit derived from the feeling or affective states (i.e. enjoyment or pleasure) that a product generates, Sweeney & Soutar (2001). The products & brands may provide non-utilitarian benefits such as fun & enjoyable experience that generate emotional values for the consumers (Holbrook, 1986). According to Optimal Distinctiveness Theory, individuals strive to maintain a balance between the need to be assimilated by the peers and family, and the need for autonomy and differentiation (Sorrentino et al, 2009). Some studies suggest that the perception of a person on his personality is a distinctive and salient trait that differentiates behaviour.

2.6.4.1 Factors That Enhance Emotional Value of the Brand

I. Image

According to (Keller, 2003) image of the brand exists in the consumers' mind and depends on the associations that consumers have; to have a good image the brand must have unique, strong and favourable associations. (Kotler et al., 1999) define brand image as the set of beliefs that consumers hold about a particular brand. Further, (Uggla, 2001) explains that identity is what the company is sending out and image is the consumers' view of the brand in their minds. As of (Kapferer J. , 1992), image is on the receiver's and consumer's side and identity is on the sender's side.

Many researchers, for example, Porter & Claycomb (1997) state that favourable brand image positively affect consumer emotional buying decision. For instance, consumers buy a special car brand because they want to identify themselves with the person in the commercial and receive status and prestige. The consumers associate this car brand with status and prestige and therefore they buy it (Uggla, 2001). Dalqvist & Linde (2002) discuss different personalities such as "would-like to-be". This personality seeks acknowledgement through attributes and symbols of status. Consumers with this personality tend to buy brands with an image of status.

II. Status

Consumers may prefer to trust major famous brand names. These prestigious brand names and their images attract consumers to purchase the brand and bring about repeat purchasing behaviour and

reduce price related switching behaviours (Cadogan and Foster, 2000). Furthermore, brand personality provides links to the brand's emotional and self-expressive benefits for differentiation. This is important for brands which have only minor physical differences and are consumed in a social setting where the brand can create a visible image about the consumer itself. The findings of previous researches indicate that the status-conscious market is more likely to be affected by the representative characteristics of a brand; feelings aroused by the brand; and by the degree of agreement between the brand-user's opinion and the brand's image itself.

Results also show that the higher the symbolic or representative characteristics, the stronger the positive feelings, and the greater the congruency between the consumer and brand image, the greater the chance of the brand being perceived as possessing high status elements. Past researchers have developed a greater understanding of the relationship between international branded products and status consciousness of consumers, how consumers are most likely to use status conscious approach in their lives and the status that comes from displaying one's self through branded products (Eastman, 1999).

2.6.5 Promotion

Advertising is a non-personal paid form where ideas, concept, products or services and information are promoted through media (visual, verbal and text) by an identified sponsor (Ayanwale, A.B, Alimini, T and Ayalambe, M.A, 2005). Of all marketing weapons, advertising is renowned for its lasting impact on viewers mind and its exposure is much broader. (Katke, 2007) stated that advertisements inform consumers about the existence and benefits of products and services, and to persuade consumers to buy them.

Moreover, (Kotler, P., Wong, V., Sanders, J and Armstrong. G., 2005), claim that advertising aim at attaining target consumers to either think or react to the product or brand. As a method of achieving advertisement goals, advertisements as well as their content play a vital role in the process of commercial communication.

More specifically, it is the advertised product and brand as well as the content of the advertisement that determine greater or lesser memory retention among the consumers (Royo-vela, 2005).(Homer, 2001) further stated that liking advertising message and content increases the tendency to like the product. That many firms use celebrity as the source of their marketing communication because celebrity source may attract more attention to the advertisement than non-celebrity. That consumer may associate characteristics of the celebrity with attributes of the product which

coincide with their needs or desire. (Penchayat, 2001) States that advertising tends to use psychological tactics which makes people buy the product. They project images and brand consciousness, create new ideas, exploit insecurities of consumers, fulfil their secret needs, use famous personalities and run lotteries. Stuart, Shimp & Egle (1990) stated that one way of directly influencing the effective component of attitude is through classical conditioning. In this approach, a stimulus the audience likes such as music is consistently paired with the brand name. Over time, some of the positive effect associated with the music will transfer to the brand. Other liked stimuli such as pictures are frequently used for this reason.

2.6.6 Situational Variation of the Consumer

People consume products by themselves, with friends, on the beach, at carnivals, at parties and while having dinners or other relatives. Within these situations an individual may prefer a brand over the other because benefits sought out by consumers can differ by situation the consumer is in (Yang, S., Allenby, M.G and Funnel, G. , 2000). According to (Belk, 1974)situations may be defined as those factors particular to a time and place of observation which have demonstrable and systematic effects on behaviour. Consumers evaluate brands on the situation ((Vazquez, R., Belen del Rio, R., and Iglessia, V., 2002)

It is suggested from previous research that situational factors are a better predictor for consumer behaviour than measures involving attitudes. Research has indicated that consumer preferences change according to the environment in which the consumers find themselves, (Quester, P.G. and Smart. J., 1989)

Consumer might choose a brand based on being in different situations and will therefore be motivated to drink a certain brand (Yang et al., 2002). That consumer may face similar environments but there are several motivating conditions that play a role on brand choice depending on the consumer.

2.7 Conceptual Framework and Research Hypotheses

The study attempts to identify which factors lead to the preference of a beer brand in Ethiopian beer market. Based on the literature review and the research question including a model adopted, According to (Young L., Kim K. and Forney J, 2006),determinants of brand preference and intention include; perceived quality, brand consciousness, reference group influences and emotional values. And from this the purpose of carrying out this research two important additions have been made to determine factors influencing brand preference of beer consumption. They are Promotion

on the side of the brand specific variables and Situational Variation on the side of general consumer variables. The following hypotheses and research framework has been formulated for the purpose of carrying out this research.

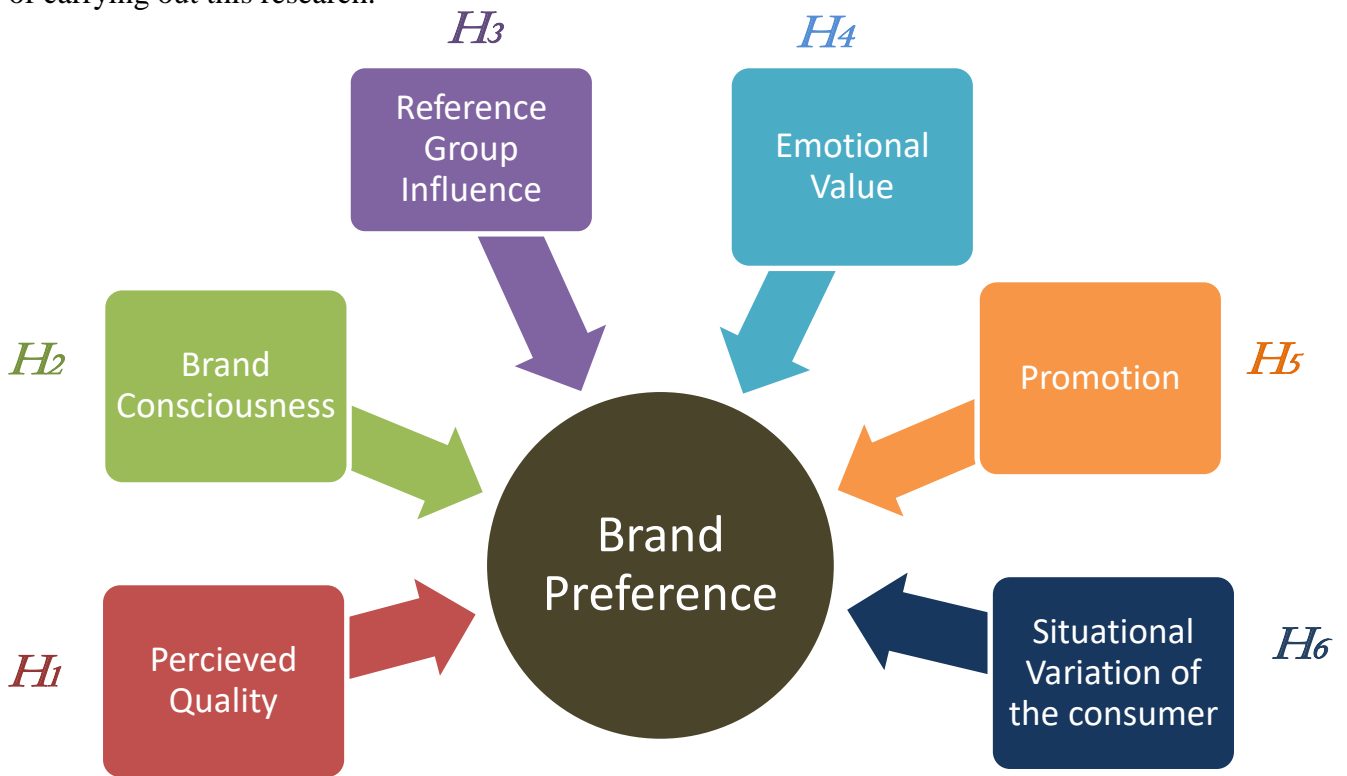


Figure2. 3 Conceptual Frame work (Determinants of Brand Preference)

2.8 Research Hypotheses

The hypothesis for this research was designed based on the dimensions of the factors influencing a consumer brand preference and from that, six research hypotheses were produced:

- **H₁**: Perceived quality has a significant influence on consumer beer brand preference in the Ethiopian beer industry.
- **H₂**: Brand Consciousness of a particular brand does influence consumer preference for that brand.
- **H₃**: There exists a significant relationship between reference group influence and brand preference of beer consumption.
- **H₄**: Emotional Values does have an influence on consumer preference for that brand.
- **H₅**: The promotion of beer brand does influence consumer preference for that brand.
- **H₆**: There is a significant positive relationship between consumers' situational variation and their brand preference of consumption.

CHAPTER THREE

3. METHODOLOGY OF THE STUDY

3.1 Description of the study area

This research took place in four locations around Addis Ababa: Saris, Piassa, Kasanchis, and Bole. This region is a high-traffic location where people go to relax and have fun.

3.2 Research Approach

Choosing a suitable data gathering technique is essential when starting a research project. Quantitative research is the rigorous and scientific examination of quantitative attributes and events, as well as their interactions (Kotler, P., Wong, V., Sanders, J and Armstrong. G., 2005) It describes studies that base their conclusions on theories, hypotheses, and statistical analysis (Marczyk, G., DeMatteo D. and Festinger, D., 2005). Therefore, in order to extrapolate from the specific to the general, surveys and experiments are used to assess theories. The research methodology applied quantitative research.

To better understand the factors influencing Ethiopian beer customers' brand preferences, quantitative research is the most effective way to quickly and efficiently gather relevant information from a sizable sample size. This is due to the large number of respondents, or beer customers, in Addis Ababa, Ethiopia. Using quantitative research methodologies is the most efficient way to gather accurate information from a suitable sample size quickly and without wasting resources.

3.3 Research Design

A research design is the planning of circumstances for gathering and examination of data in a manner that aims to combine significance to the research purpose with economy in procedure. The goals of scientific research are to answer questions and acquire new knowledge (Geoffrey et al., 2005). The research design for this study has followed cross-sectional survey method. In cross-sectional surveys, both independent and dependent variables are measured at a similar time using a single questionnaire. Along with the cross sectional nature of this study, the study has employed descriptive research design and explanatory research design. Explanatory research answer question overlooked in descriptive research i.e. the why question. It aims at establishing the cause and effect relationship between variables (Kotler, 2004). Descriptive research is used to describe some aspect of a phenomenon, i.e. the status of a given phenomenon. It can help understand a topic and lead to causal analysis. It aims to describe the as it exists and interpret what is (Kotler, 2004).

The descriptive design is intended to show the practices of decision making and performance of the employees by using descriptive statistics such as frequencies, percentage, and mean. Further, explanatory design is intended to examine the association between the decisions making of the managers on performance of the employees by using Regression analysis.

3.4 Sources of Data

In order to perform the research, both primary and secondary data sources were used. According to Malhotra & Birks (2007), Primary data is created by the researcher for the explicit goal of addressing the problem at hand. Structured questionnaires will be used to collect primary data, which is the most important.

Secondary data is information gathered for reasons other than the problem at hand (Malhotra, N. K., & Birks, D. F, 2007). Books, periodicals, newspapers, journals, articles, and research papers were used to acquire secondary data for this study. These forms of secondary data will aid in the development of a deeper understanding of the title study.

Prior to obtaining primary data, existing secondary data must be examined," according to (Malhotra, N. K., & Birks, D. F, 2007).If all secondary data sources have been exhausted or managerial gains have been reached, start with secondary data and go on to primary data exclusively." Therefore, in addition to collecting and analysing secondary data, this study will also analyse primary data.

3.5 Population Definition

The study examines the factors influencing consumer brand preference in beer consumption by focusing on the Ethiopian beer sector in Addis Ababa. The study's purpose and character determine the target demographic that was selected and are characterized as every customer or beer drinker in Addis Ababa. The thesis also lists all the beer brands that are produced in Ethiopia along with the consumers of these products. The target population is used to determine the sample size. Respondents for the study are those who will be answering the questions and are allocated to the sample size selected from the target population.

3.5.1. Target Population

Target population as a specified group of people or object for which questions can be asked or observed to collect required data structures and information (Hair, F.E., Busch, R.P and Ortinau D.J. , 2000).The study takes on the beer industry in Ethiopia, Addis Ababa, to study the factors influencing consumers brand preference of beer consumption in Ethiopia. The target population chosen for the study is defined based on the nature and objective of the study. This are defined as

all the consumers or beer drinkers found in Addis Ababa which are 21+. Therefore, the study population included all the customers of the beverage company in Addis Ababa which were uncountable.

3.5.2 Sampling Method

Sampling is a method of choosing items from a large number (Dattalo, Determining sample size: balancing power, precision, and practicality, 2008). This study used convenient sampling as its sample approach, meaning that participants will be selected based on their availability, accessibility or willingness to participate in the study. The researcher's observation of areas in Addis Ababa with establishments thought to have substantial foot traffic is how respondents are chosen.

3.5.3 Sample size

Participants in this study are any member of the Addis Ababa general population who consumes beer and is older than 21. But since it is irrelevant to assume that everyone drinks beer, it is unclear how many people actually drink beer, which means that the target population size is unknown. Because of this, the sample size was determined using the Topman formula, which is provided below, as the population is unknown (Hair, F.E., Busch, R.P and Ortinau D.J. , 2000)

$$N=Z^2 PQ/E^2$$

Where: n= required sample size

Z= degree of confidence (i.e. 1.96)²

$$Z= (1.96)^2$$

P= probability of positive response (0.5)

$$P= 0.5$$

Q= probability of negative response (0.5)

$$Q= 0.5$$

E= tolerable error (0.05)

$$E= (0.05)^2$$

$$n= 1.96^2 \times 0.5 \times 0.5 /$$

$$(0.05)^2$$

$$= 3.84 \times 0.25 / 0.0025$$

$$n= 384 \text{ (sample size)}$$

3.6 Data collection instrument

According to (Dawson, 2007), there are two methods for gathering data: primary and secondary. Information that is collected and compiled specifically for a research project is known as primary data. It can be obtained using a range of techniques, including as focus groups, interviews, and surveys. Because of its great adaptability, questionnaires can be used to gather information on almost any topic involving both small and large numbers of people (Dawson, 2007). A standardized questionnaire with easy-to-answer questions was used to gather the study's primary data.

Questionnaires are extremely flexible and can be used to gather information on almost any topic involving large or small numbers of people (Catherine, 2007). The primary data for this study was gathered through a structured questioner that was clear with basic questions for anyone to understand. The questioner contains three parts which the respondent had to cross out just with a right mark on the boxes provided. The first part of the questioner contains basic information about respondents that included: sex, age, education level, income and occupation. This helped in understanding the demographic profile of respondents. This part will achieve the specific objective of the study by examining the role of demographic factors on consumer beer brand preference determinants and consumption of beer brands.

The second part of the questioner is whether they drink beer or not, how regularly it is and they are asked to choose from a list of beer brands found in Ethiopia as to which beer brand is their first choice or preference. This part of the questioner also achieves the specific objective of the study by analysing respondents' preference and ranking the highest preferred up to the lowest preferred beer brand by consumers in Addis Ababa. This will announce consumers highly preferred and least preferred beer brands from the consumer perspective.

The third part of the questioner is with 5 point likert scale containing 21 questions. From strongly disagree to strongly agree. Among other things this part is helpful in measuring and determining the factors influencing brand preference in beer consumption which helps in achieving the general objective of the study. By including respondents profile it helps in understanding the relationship between demographic factors and determinants of brand

preference when combined with part one of the questioner and also the last two questions measures consumers overall brand preference with respect to their first choice of beer brand.

3.7 Data collection procedure

The distribution and retrieval of the questioner was conducted face-to-face with beer drinkers. Questionnaires will were distributed to them, and they were asked to fill them out while enjoying their preferred beer brands. This was carried out using a random selection of regions having a large number of beer drinkers.

3.8 Ethical Considerations

Every person involved in the study was eligible to the right of privacy and dignity of treatment, and no personal harm were triggered to subjects in the research. The research maintained strict confidentiality about all the data it gathered. All assistance, cooperation of others and sources from which information was gathered were acknowledged.

3.9 Method of data analysis and interpretation

Software called SPSS (Statistical Package for Social Science) was used to examine the data that was collected through a questioner survey. Various quantitative techniques were employed in the research. The study employed independent sample T-test and one-way ANOVA to examine the correlation between respondents' demographic factors and consumption level and overall brand preference. To further highlight the relationship, several descriptive statistical methods including the mean, frequency distribution, and cross tabulation were employed. Regression analysis and correlation are two more statistical techniques that were used. The strength of the links between consumer brand choice and brand preference drivers in beer consumption were demonstrated using correlation analysis. To determine the degree or proportion to which the factors chosen as brand preference determinants affected or influenced brand preference in beer consumption, regression analysis was used.

The results of the regression analysis by using OLS method are presented as follows by adopting linear model;

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \dots + \beta_nX_n + \varepsilon_i$$

Where Y is dependent variable which is explained by the independent variables, β_0 is constant, $\beta_1 \dots \beta_n$ are the coefficient of the independent variables X_1 to X_n . ε_i is an error term.

Specifically, model for this study can be expressed as follows;

$$BP = \beta_0 + \beta_1PQ + \beta_2BC + \beta_3RG + \beta_4EV + \beta_5P + \beta_6CSV + \varepsilon_i$$

Where,

BA = Brand preference, PQ = Perceived Quality, BC = Brand Consciousness, RG = Reference Group, EV = Emotional Value, P = Promotion and CSV = Consumer Situational Variation

3.10 Validity & Reliability Analysis

3.10.1 Validity

Validity was defined by Bryman & Bell (2007) as the degree to which a data collection tool measures the intended outcome. Whether or if the validity measuring effectively measures the thoughts is the key challenge. Many strategies, such as content validity, concurrent validity, predictive validity, construct validity, and convergent validity, can be used to attain validity. This study addresses content validity by a review of the literature and the modification of instruments used in earlier studies.

3.10.2 Reliability Analysis

Reliability is the consistency of a measurement tool such as an observation, survey, test, or other. The degree of dependability of the study or instrument determines the consistency of the variables. To evaluate the dependability of the questioner, Cronbach's alpha was employed. Cronbach's alpha is a reliability metric that considers variation in the underlying construct's real score. Only variables with numerous measurement questions are eligible for calculation. While 0.7 is more acceptable, 0.5 is sufficient. As showed in the table above, all Cronbach's alpha indexes are above 0.7 signifying that the variables are consistent.

Table 5:1 Reliability Analysis of Standardized Item

Variables	No of Items	Reliability (Cronbach Alpha)
Perceived Quality	4	0.92
Brand Consciousness	3	0.79
Reference Group Influences	4	0.769
Emotional Value	3	0.824
Promotion	3	0.877
Situational Variation of the Consumer	2	0.907
Overall Brand Preference	2	0.853
Analysis of all variables	21	0.832

CHAPTER FOUR

4. RESULT AND DISCUSSION

4.1 Introduction

This chapter presents and interprets survey data collected to answer the research questions of the theses and achieve the study's aims. In doing so, general specifications of respondents, cross tabulation statistics of different demographic profiles with respect to beer brand preference, the analysis of determinants of consumer beer brand preference in beer consumption, correlation analysis to see the level of strength of relationship between determinants and brand preference, regression analysis to measure the extent or percentage of the dimensions selected in this study on how much they represent consumers Hypothesis testing is discussed. It also looks at the significant differences that exist between different demographic profile of respondents and overall brand preference through the use of independent sample T-test and one way ANOVA.

4.2 Demographic Profile of the Respondents

For the purpose of this study, 384 questioners were distributed throughout Addis Ababa, one of which was found to be a default, and the remaining 383 were analyzed using the SPSS (Statistical Package for Social Sciences) V16 software based on participants' responses to the questioner's contents. Each respondent for the study was chosen at random from a variety of establishments and areas in Addis Ababa. The questioner's design improved respondent response accuracy by requiring only a (√) mark on the allocated spaces, reducing misunderstanding caused by extensive and incomputable responses.

Table 6:1 Demographic profile of respondents

<i>Demographic profile of respondents</i>	<i>Classification</i>	N	Per cent
Gender	<i>Male</i>	265	69.2
	<i>Female</i>	118	30.8
Age	<i>21-24</i>	71	18.5
	<i>25-31</i>	166	43.3
	<i>32-38</i>	76	19.8
	<i>39-45</i>	35	9.1
	<i>46-52</i>	30	7.8
	<i>Above 53</i>	5	1.3
Education	Diploma	58	15.1
	Degree	229	59.8
	Masters	19	5.0
	Student	17	4.4
	Other	60	15.7
Monthly income (ETB)	less than 10000	108	28.2
	10001-25000	127	33.2
	25001-50000	76	19.8
	50001-100000	45	11.7
	>100000	27	7.0
Occupation	Employed	200	52.2
	Self employed	130	33.9
	Unemployed	17	4.4
	Student	36	9.4

(Source: survey result, 2024)

Table 4.1 shows that there are a total of 383 respondents, with 265 (69.2%) being men and the remaining 118 (30.8%) being female. The figure in the table reveals that there are more males than females, indicating that the majority of drinkers are males, but the difference is not very large, thus the number of responses in each category will be highly representative of the population.

Table 4.1 shows the age differences among respondents. The 71 individuals, or 18.5% of the sample total, are between the ages of 21 -24. And the age group that accounts for 43.3% of the sample size, or 166 participants, has the most respondents than the other age groups: those aged 25– 31. Also, the second highest age group, consisting of 19.8% or 76 participants, is between the ages of 32- 38.

Those aged 39 - 45 accounted for 35, or 9.1%, of the sample. People aged 46 -52 make about 30 percent, or 7.8%, of the entire population. While 5 respondents aged 53 and above comprise 1.3%. The diversity in age of consumers will assist the researcher in gathering different perspectives, thoughts, and points of view from various age groups.

Table 4.1 shows that respondents have varying levels of education. 17 respondents, or 4.4% of all respondents, are over the age of 21. Another group of respondents, 58 or 15.1%, had a diploma as their educational level. The majority of responders, 229 in total (59.8%), had a degree. The remaining participants are divided into two groups: masters and others. 5%, or 19 people, have a Master's degree. And 60, or 15.7%, have others. The majority of participants hold a degree. The researcher was able to obtain high-quality responses due to their high literacy level.

The profile of respondents in terms of income and occupation is observed from the data analysis presentation that 28.2% or 108 respondents have an income less than ten thousand, 33.2% or 127 respondents have an income between 10001 to 25000, 76 or 19.8% of the respondents have an income between 25001-50000, respondents that account 45 or 11.7% have an income of 50001-100,000, and the rest 27 or 7% have an income of greater than 100,000, this indicates that the data Concerning employment, 200 or 52.2% of respondents are employed, 130 or 33.9% are self-employed, 17 or 4.4% are unemployed, and 36 or 9.4% are students.

4.2 Respondents Consumption Level

Table 6:2 Consumption levels of respondents

<i>Consumption Level</i>	<i>Frequency</i>	<i>Percent</i>
<i>Daily</i>	50	13.1
<i>2-3 Times a week</i>	100	26.1
<i>Once a week</i>	119	31.1
<i>Twice a month</i>	55	14.4
<i>Once a month</i>	59	15.4
<i>Total</i>	383	100.0

(Source: survey result, 2024)

According to table 4.3, 13.1% of respondents (50) drink beer almost every day, whereas 100 respondents (26.1%) drink beer 2-3 times per week. The group that drinks beer once a week consists of approximately 119 persons, or 31.1%. 55-year-old respondents, or 14.4%, are among those who drink beer twice a month. Finally, 59 respondents, or 15.4%, reported drinking beer only once a month. The respondents' beer consumption levels are shown in a pie chart below for correct understanding and meaningful presentation.

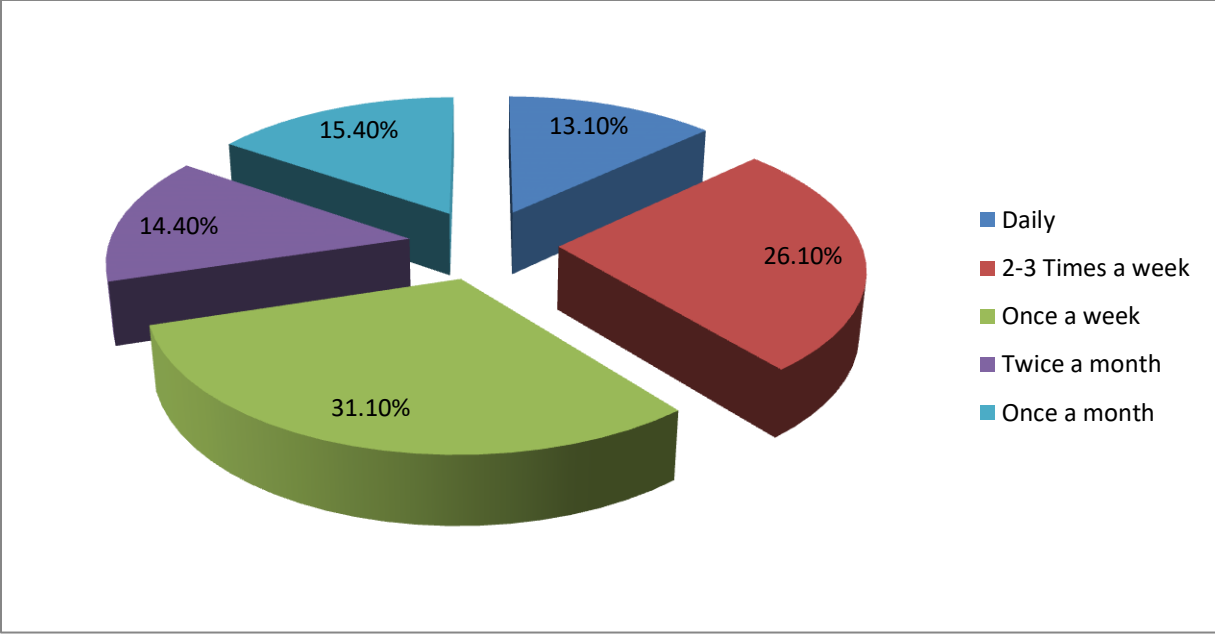


Figure4. 1Consumption level of respondents (Source: survey result, 2024)

Figure 4.1 clearly indicates that the data obtained on how frequently respondents consume beer spans a wide range of consumption levels. According to the report, beer intake ranges from once a month to daily. It can be argued that the respondents' various consumption levels, or their range of variety or habit of consuming beer, fully represent the beer consumers found in Ethiopia's beer sector, particularly in Addis Ababa.

4.3 Consumption level with respect to Age

As seen during data analysis, beer consumption differs by age group. Figure 4.2 shows that consumers' consumption levels vary by age group. For example, customers between the ages of 22- 24 consume more beer than people over the age of 53. And the consumption level is higher among people aged 25 – 31 than in any other age group.

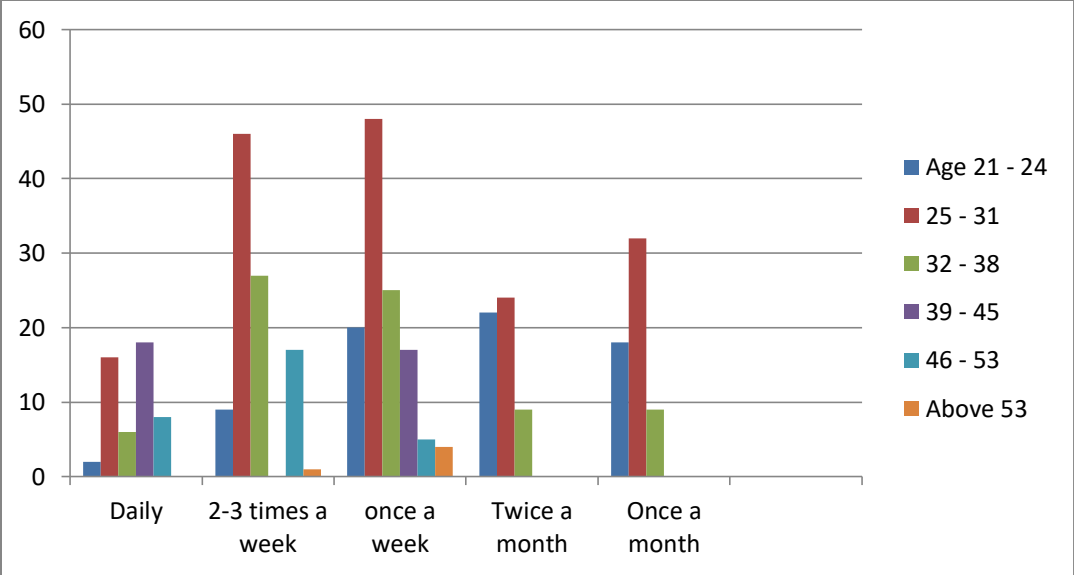


Figure4. 2 Consumption Level of Respondents with Respect to Age (Source: survey result, 2024)

In terms of daily consumption, 4% of respondents aged 21-24 consume beer on a daily basis, whereas 32% of respondents aged 25-31 do the same. People aged 32 to 38 drink beer on a daily basis, accounting for 12%. The 39-45 age groups consume the most beer of any other age group, with 36% of respondents drinking beer almost daily. 16% of responders aged 46 – 53 drink every day. However, no one aged 53 or older reported drinking beer every day.

About 9% of respondents aged 21- 24 reported drinking beer two to three times per week, which corresponds to a two to three-time consumption level. 46% of respondents are between the ages of 25- 31, 27% are between the ages of 32- 38, and relatively few respondents—only 16.6% are between the ages of 46-52, and 1% are above the age of 53—drink two to three times per week. Among those aged 21 to 24, 16.8% reported drinking beer once a week. The majority of respondents (40.33%) ,is between the ages of 25 and 31 and consume one drink each week. The age groups 32-38, 39-45, and 46-52, respectively, have 21%, 14.28%, and 13.44% of their respondents drinking beer once a week, while those over 53 have around 3.3% drinking beer only once a week.

In the age ranges 21-24, 40% of respondents drink twice a month, while 43.6% and 16.3%, respectively, drink beer twice a month. However, respondents aged 39 to 45, 46 to 53, and over 53 do not consume beer more than twice each month. Last but not least, 30.5%, 54.2%, and

15.25% of respondents in the age categories 21-24, 25-31, and 32-38 consume beer once a month, respectively, whilst 39-45, 46-52, and Above 53 do not.

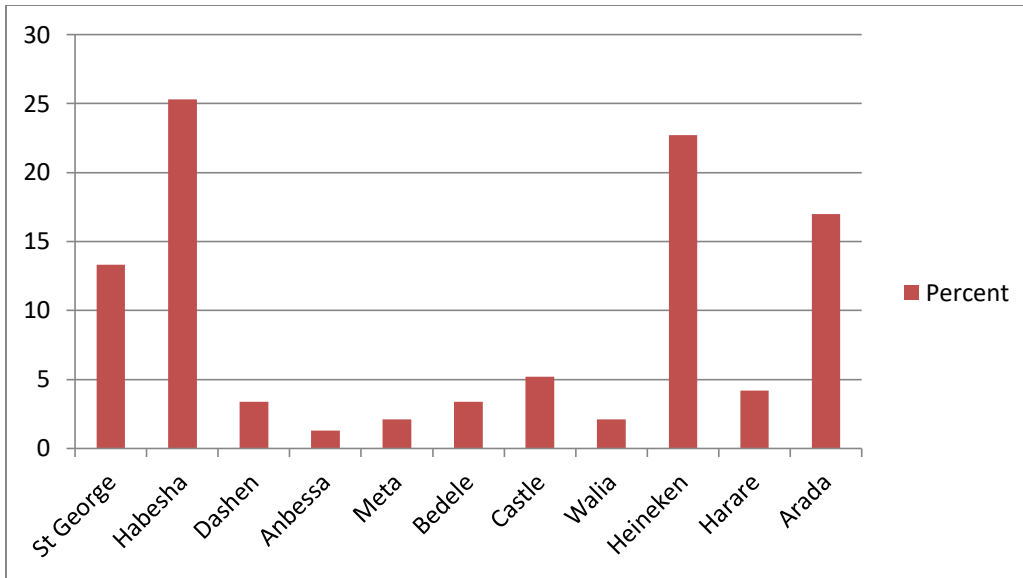
To recap, it is feasible to observe the variable consumption level that occurs when consumers are of different ages. For example, the age group 21-24 has the greatest percentage of respondents (40%) who consume beer once a week, meaning that the majority of respondents aged 21 to 24 drink beer once a week. When we look at respondents aged 25 to 31, we find that the majority (54.2%) consume at least 2-3 times each week. Consumption is high among those aged 32 to 38, with 27% drinking twice a week. Respondents aged 39 to 45 drinks on a daily basis. Approximately 17% of respondents between the ages of 46 and 52 drinks at least 2-3 times per week, while 3.3% drink more than once each week.

In conclusion, these survey results can be understood as follows: Consumer consumption levels start low at a young age and rise in the middle of the three age groups; after that, a consumer's consumption level declines with age.

4.4 Rank of Beer Brands per Preference of Respondents

When purchasing products in the same category but under different brands, consumers have distinct options or preferences. The same is true for purchasing beverages like beer. There are eleven different varieties of beer brands that are now being made and available in the market, as well as purchased by consumers in the country. Respondents were given a choice of eleven brands, including St. George, Habesha, Dashen, Anbessa, Meta, Bedele, Castle, Walia, Heineken, Harare and Arada. After reviewing the options, respondents were asked to select their preferred beer brand. The assumption is that the research considered brand price equality and that all are available.

As it is stated in previous chapters, preference is considering one brand over the other where the accessibility of all brands is available. The following graph shows participants first choice of beer brand with respect to their preference.



	St. George	Habesha	Dashen	Anbessa	Meta	Bedele	Castle	Walia	Heineken	Harare	Arada
Beer Brand	13.3	25.3	3.4	1.3	2.1	3.4	5.2	2.1	22.7	4.2	17

Figure 4.3 Beer Brands with Respect to Respondents' first Choice (Source survey result, 2024)

Figure 4.3 depicts the respondents' range of preferences. When it comes to beer, Habesha is clearly the most popular brand currently on the market, with 25.3% of respondents preferring it. Heineken is the second most popular beer brand behind Habesha, with 22.7% of customers choosing it. Arada ranked third with a 17% preference, followed by St. George with a 13.3% preference, and the rest of the beer brands with 5.2% Castel, Harare with 4.2%, Bedele and Dashen both scoring 3.4%, Meta and Walia at 2.1, and Anbessa scoring 1.3%.

The graph shows that Habesha beer is the most chosen beer brand among beer consumers, whereas Anbessa Beer is the least liked by both female and male respondents to the study.

4.5 Gender with Respect to First Choice of Beer Brand

Figure 4.4 illustrates the various beer brand preferences that respondents have based on their gender. Habesha is chosen by more males than females, with 86.7% male and 12.2% female choosing it their first choice beer. Arada, the third most popular beer brand, has a higher female-to-male ratio (73.83% female to 26.15 male). Heineken is the second most popular beer among men and women, with 70.1% and 29.2%, respectively.

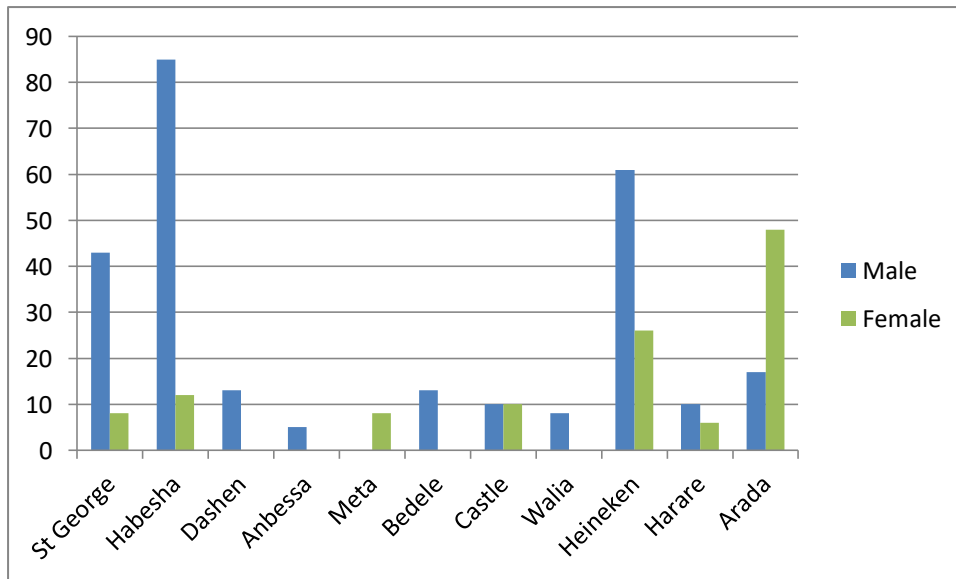


Figure 4.4 Gender With Respect to Respondents Beer Brand Preference (Source: survey result, 2024)

In comparison to other beer brands, St. George is preferred by 84.3% of men to 15.6% of women. Dashen, Bedele, Walia, and Anbessa solely have male consumers, but Meta only has female customers. Castle has equal male and female consumers (50%). And Harare has a great predilection for boys (62.5%) and females (37.5%). The above data shows that beer brand preferences varied by gender for different beer brands. However, the gender of responders varies greatly in St. George, Habesha, Heineken, Dashen, Anbessa, Bedele, Walia, and Harare. Males prefer such drinks. Females like Meta and Arada, although Castle is equally popular with both genders.

4.6 Age With Respect to First Choice of Beer Brand

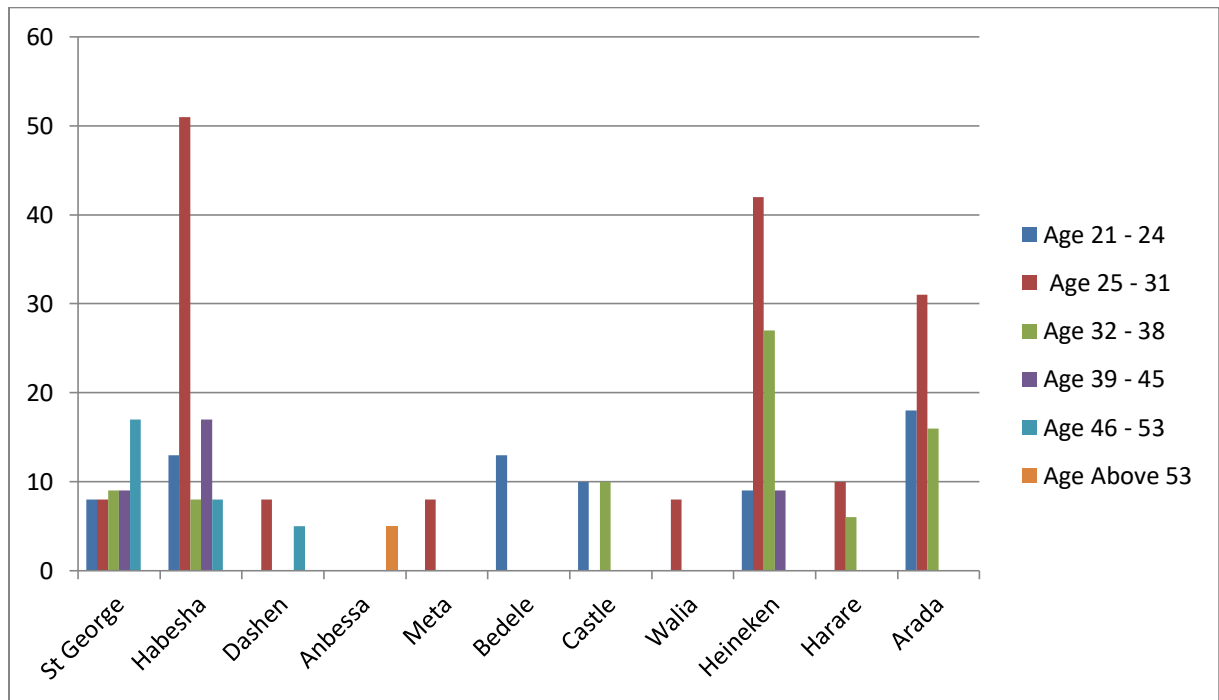


Figure4. 5 Consumers Age vs. First Choice of Beer Brand (Source: survey result, 2024)

	St. George	Habesha	Dashen	Anbessa	Meta	Bedele	Castle	Walia	Heineken	Harare	Arada
Male	84.3%	86.7%	100%	100%	0%	100%	50%	100%	70.1%	62.5%	26.15%
Female	15.6%	12,2%	0%	0%	100%	0%	50%	0%	29.2%	37.5%	73.83%

A beer brand preference also varies with consumer age; as shown in figure 4.5, Habesha has a preference for almost all age groups except for those over the age of 53, who have a low preference that is significantly lower than the other age groups and a high preference for those aged 25 to 31. Heineken beer is likewise popular among most age groups; however the choice is quite low among those aged 46-53 and over 53, and strong among those aged 25-31 and 32-38. St. George has a preference for practically all age groups, with the exception of those above the age of 53, who have a relatively low preference compared to the other age groups and a significant preference for those aged 32-38 and 39-45. Dashen beer has a high preference in the age categories 25-21 and 46-53, but it is relatively low in the age groups 21-24, 32-38, 39-45, and older than 53.

Arada beer's preference percentage appears to be decreasing as consumers' ages increase. The preference rate is 27.7% between the ages of 18 and 24, 47.6% between the ages of 25 and 31, and 24.6% between the ages of 32 and 38. However, the preference rate diminishes between the ages of 39 and 45, 46 and 53, and over 53. When looking into Harare's preference rate, the younger age demographics have a very low liking for Meta beer brands, but at the age groups of 25-31 and 32-38, it reaches a peak of 62.5% and 37.5%, respectively, and then falls dramatically as the age group increases.

Bedele, Meta, Walia, and Anbessa beer have opposite percentage ratings for age groups, with Bedele and Walia being preferred more by age groups 21-24, Meta being preferred by age groups 35-31, and Anbessa being preferred by those over the age of 53. Castel beer brand has a preference rating greater than zero in only two age groups: 21-24 (50%) and 32-38 (50%).

To summarize, as consumers age, their brand preferences shift. Some brands are better suited to younger audiences. Adults and older people's preferences for beer brands differ from those of younger respondents.

4.6 Determinants of Brand Preference

For the purposes of this study, six elements were chosen as characteristics that influence beer brand preferences. The variables are then separated into two categories: brand-specific variables and general consumer factors. Brand or product-specific variables include perceived quality, promotion, and emotional value, while brand consciousness, reference group influence, and situational variation are general consumer variables.

4.7.1 Perceived Quality

According to (Philip Kotler and Kevin Lane Keller, 2012), perceived quality is a critical component of a product's brand equity. It is defined as the customer's perception of the overall quality or superiority of a product or service when compared to alternatives and when used for its intended purpose.

Table 6:3 Mean and std. deviation of perceived quality measurements

Perceived Quality Variables		Mean	Std. Deviation
1	My first choice of beer brand produces excellent quality beer.	3.83	1.157
2	The quality of my first choice of beer brand is always consistent.	3.78	1.050
3	My first choice of beer brand provides reliable and trustworthy products.	3.74	1.166
4	My first choice of beer brand has excellent features.	3.80	1.160

(Source: survey result, 2024)

The four assertions used to assess the perceived quality influence on brand preference were the beers' excellent quality, quality consistency, the brand's ability to generate reliable and trustworthy items, and its features. Table 4.3 displays the level of agreement and disagreement that respondents ranked for the four items using a likert scale. The standard deviation and mean scores are shown in the above table.

Table 4.3 shows that the statement with the highest mean (3.83) is the brand's ability to make outstanding quality beer, while the mean for reliability and trustworthiness is low (3.74) when compared to the mean score of the other aspects in the table.

Customers perceive and value the product's high quality. The high mean score (3.84) indicates that this is an important strength for the brand. While the score for dependability and trustworthiness is relatively high (3.74), it is lower than the score for perceived product quality and potentially other aspects listed. This suggests that, while people generally regard the brand as reliable and trustworthy, there is a little difference in perception when compared to product quality.

When compared to other elements, the lower scores for reliability and trustworthiness indicate that these areas may require additional work. Customers may have reservations or experiences that marginally affect their opinion of the brand's dependability and trustworthiness.

In conclusion, the survey found that, while the brand is seen to deliver high-quality beer, there is space for improvement in reliability and trustworthiness. Addressing these issues could boost the brand's reputation and consumer happiness.

4.7.2 Brand Consciousness

According to (Philip Kotler and Kevin Lane Keller, 2012), brand consciousness is the extent to which consumers are aware of and sensitive to brands. It examines how brand-conscious customers actively seek out and favor specific brands based on characteristics such as brand reputation, image, and perceived value.

The second variable on the consumer side is brand consciousness, which was utilized as an independent variable to assess how strongly consumers can be linked to a given brand and how this affects brand preference. It was indicated by three statements: if they favored and purchased well-known brands, if they paid greater attention to the beer brand name, and if they stayed with a specific beer brand. Participants used a likert scale to indicate their level of agreement with the options presented. Table 4.4 shows the mean and standard deviation for the three statements.

Table 6:4 Mean and std. deviation of brand consciousness measurement

Brand Consciousness Variables		Mean	Std. Deviation
1	I prefer and buy well known beer brands.	3.57	1.318
2	I pay more attention to the beer brand name.	2.99	1.247
3	I try to stick to certain beer brands.	3.23	1.226

(Source: survey result, 2024)

As shown in Table 4.4, purchasing well-known beer brands resulted in the highest mean score of 3.57. While attempting to stick to specific beer brands scored 3.23, paying greater attention to the beer brand name received the lowest mean (2.99) when compared to the other means in the statements expressing customer brand consciousness.

Consumers significantly agree with the concept of purchasing well-known beer brands, as indicated by the highest mean score (3.57) among the surveyed statements. A mean score of 3.57 indicates a rather high degree of agreement, showing that brand awareness and reputation have a considerable impact on consumer purchasing behavior in the beer market

Sticking to Certain Beer Brands has a mean score of 3.23, indicating that while consumers have some loyalty to specific beer brands; it is not as strong as their preference for well-known brands. Although there is some brand loyalty, it pales in comparison to the general preference for well-known brands.

The lowest mean score of 2.99 for paying greater attention to the beer brand name implies that it has the least influence on consumer behavior of the three claims. Although brand name does play a role, it is less important than general recognition of well-known brands and a preference for specific brands.

To summarize, the evidence reveals that consumers have a high level of brand consciousness when purchasing beer, although this knowledge emerges mostly through a preference for well-known brands rather than tight brand loyalty or acute attention to brand names.

4.7.3 Reference Group Influences

The impact of social groupings on individual behavior and attitudes is referred to as "reference group influence. "It discusses how reference groups including family, friends, and celebrities impact consumer brand preferences through social norms, aspirations, and recommendations) (Philip Kotler and Kevin Lane Keller, 2012).

The third variable in the questioner is reference group influence, which is also present in the general consumer population. It evaluates respondents' proclivity to meet the positive expectations of others. The measurement consists of four statements on a likert scale, with respondents indicating their level of agreement with one of five available possibilities.

Table 4.5 shows that the reference group impact is represented by four statements, and their means were analyzed and compared to determine which statement reflected the variable most accurately with a high mean score. Purchasing beer brands to convey myself to people when I consume them in public received the highest average score of 2.65.

Table 6:5 Mean and std. deviation of reference group influence measurements

Reference Group Influence Variables		Mean	Std. Deviation
1	By purchasing beer brand of my first choice of as my friends I achieve a sense of belonging.	2.60	1.224
2	I prefer or buy beer brands when I am sure friends like it.	2.18	1.112
3	I like and prefer brands, which make a good impression on others.	2.43	1.111
4	I like and prefer beer brands that give off an expression of me to others when I consume them publicly.	2.65	1.254

(Source: survey result, 2024)

4.7.4 Emotional value

Emotional value refers to the emotional ties people have with products that go beyond practical benefits. (Philip Kotler and Kevin Lane Keller, 2012) , talk about how brands elicit feelings like happiness, nostalgia, and enthusiasm through narrative, brand personality, and consumer experiences. Emphasize the value of emotional branding in fostering strong consumer loyalty and distinctiveness in competitive markets.

The fourth variable on the brand-specific variable side is emotional value. It is the pleasure or enjoyment that one gets from buying or using a goods. The variable is represented by three statements. When looking at the mean of the three statements reflecting emotional worth as shown in table 4.6, considering and preferring beer brands that make me feel good when I drink them, in this case through taste, received the highest mean.

Table 6:6 Mean and std. deviation of emotional value measurements

Emotional Value Variables		Mean	Std. Deviation
1	I consider and prefer beer brands that satisfy me through taste.	3.76	1.312
2	I prefer beer brands that make me feel good when I drink it.	3.96	1.212
3	I like and prefer beer brands that have new and different product features like (Brand name, taste, manufacturer...etc.)	3.24	1.268

(Source: survey result, 2024)

4.7.5 Promotion

Promotion refers to marketing actions intended at delivering brand messages, convincing customers, and increasing sales. (Philip Kotler and Kevin Lane Keller, 2012) May address a variety of promotional tactics, including as advertising, sales promotions, public relations, and personal selling. They may emphasize the importance of promotion in raising brand awareness, shaping attitudes, and motivating purchasing behavior.

Promotion is the sixth variable, which is one of the brand-specific variables. It is expressed in three statements. The variable is also scaled using a likert scale measurement; with respondents indicating their level of agreement ranging from strongly disagree to strongly agree.

Promotion is represented by three statements. When the means of the three statements are compared, as shown in table 4.7, the statement with the highest mean is the conformation of after-purchase respondents receive when they see a promotion of their purchased or consumed beer brand. The second highest mean score of 3.11 is for the statement good beer ads persuade my beer preference, and the third and lowest mean is eye-catching promotions decide my next beer brand with a mean score of 3.05.

Table 6:7 Mean and std. deviation of promotion measurement

Promotion Variables		Mean	Std. Deviation
1	Good Beer commercials persuade my preference of beer.	3.11	1.172
2	Looking at a promotion of my first choice of beer brand, gives me a good conformation of my decision to buy it.	3.21	1.188
3	If I see an eye catching promotion of a beer brand, the next time I drink beer it will be that beer brand that comes to mind.	3.05	1.352

(Source: survey result, 2024)

Situational Variation of the Consumer

Standard deviation of a dataset measures the variability or dispersion of its data points around the mean. (Philip Kotler and KevinLane Keller, 2012) may employ standard deviation to determine the consistency or variety of consumer responses to various brand traits or dimensions. They may interpret bigger standard deviations as reflecting more variation in consumer perceptions or preferences across different segments or circumstances.

The final element on the broad consumer side is situational variations of the consumer. It was represented by two statements in which respondents were asked to select their level of agreement on a Likert scale on two statements proposing that beer brand preference differs at different stages of consumption. The first is when the consumer buys beer on different occasions, and the second is when they are in formal situations or with relatives.

Table 4.8 compares the mean scores of two statements illustrating the consumer's situational variance. The determining situation statement influencing their preference with the greatest mean score of 2.94 is when they drink beer in formal occasions or with family, whereas drinking beer in different moods, alone, or out of town scored a mean of 2.66.

Table 6:8 Mean and std. variation of situational variance measurements

Situational Variation of the Consumer Variables		Mean	Std. Deviation
1	I drink different kind of beer brands at different occasions, moods, when out of town or on a trip.	2.94	1.248
2	My beer preference is different when I'm in different situations or moods.	2.66	1.182

(Source: survey result, 2024)

This means that for respondents that situational variation is a factor in determining their brand preference; it is most likely that their preference is different at times when they are in formal situations or with relatives and other situations that are mostly related with these types of scenarios.

4.8.3 Overall Brand Preference

(Philip Kotler and Kevin Lane Keller, 2012) Talks about how a variety of elements influence overall brand preference, including as perceived quality, brand image, emotional appeal, and relative brand positioning. They may highlight the need of understanding consumer motivations, tastes, and market dynamics in order to create effective branding strategies that appeal to target audiences.

The final two elements of the measurement instrument comprise respondents' general brand preferences. One of the specific goals of this study is to investigate consumers' overall brand preference in relation to their first choice of beer brand. According to Amadi and Ezekiel (2013), brand preference is a measure of brand loyalty rather than loyalty itself. In which a consumer will pick a specific brand over rival brands, but will tolerate alternatives if that brand is unavailable. Thus, "how strong is their brand preference when the situation of unavailability is not present?" Regarding their claims of preferring one beer brand above the others, respondents were given eleven beer brands and asked to select one that was their most preferred or would be considered their first choice.

In the measurement instrument, two statements describe brand preference. The statements were presented to assess brand preference based on respondents' initial choice of beer brand. The two claims are: "I prefer my first choice of beer brand to other competing brands" and "The brand I chose as my first choice of beer is my top selection from other brands." Consumers were given two options, and their responses were gathered using a likert scale.

Table 6:9 Mean and std. deviation of brand preference measurements

Overall Brand Preference Variables		Mean	Std. Deviation
1	I prefer my first choice of beer brand to other competing brands	3.68	1.041
2	The Brand I choice as my first choice of beer is my top selection from other brands	3.91	1.062

(Source: survey result, 2024)

As shown in the above table 4.9, the standard deviation and mean score of brand preference variables are displayed. The mean score for preferring their first choice of beer brand over competing brands scored 3.68. Whereas the beer brand they selected as being their first choice of beer all the time scored 3.91.

Table 6:10 Summary of the determinants of brand preference

<i>No</i>	<i>Determinants of Brand Preference</i>	<i>Grand Mean</i>	<i>Std. Deviation</i>
1.	<i>Perceived Quality</i>	3.78	1.13
2.	<i>Brand Consciousness</i>	3.26	1.26
3.	<i>Reference Group Influence</i>	2.46	1.17
4.	<i>Emotional Value</i>	3.65	1.26
5.	<i>Promotion</i>	3.12	1.23
6.	<i>Situational Variance</i>	2.8	1.21

(Source: survey result, 2024)

As seen in the above table, 4.10 dimensions of brand choice are represented by a grand mean and standard deviation. Perceived quality has a grand mean of 3.78 and a standard deviation of 1.13, making it the sole dimension of brand preference with a low mean score. Brand consciousness has a mean of 3.26 and a standard deviation of 1.26. When examining reference group influences, the grand mean is 2.46 with a standard deviation of 1.17. Emotional value has a mean of 3.65 and a standard deviation of 1.26. Promotion has a grand mean of 3.12 and a consumer situational variation score of 1.23. Finally, when looking at the consumer's situational variation, we have a grand mean of 2.8 and a standard deviation of 1.21.

A summary of the findings show that perceived quality has the highest grand mean across all dimensions, indicating that customers place a high value on the brand's quality. The comparatively low standard deviation indicates that respondents' evaluations of quality are often consistent. Brand consciousness has a modest grand mean, indicating that while customers are aware of the brand, it is not the most important aspect. The standard deviation shows that customers are moderately brand aware. The reference group influences have the lowest grand mean, indicating that this factor is the least relevant in consumer brand preferences. The standard deviation indicates some variation in how customers are influenced by their reference group. Emotional value is scored relatively high, indicating that people appreciate their emotional connection to the brand. The variability is likewise moderate, reflecting varying levels of emotional attachment among consumers. The influence of promotions has a moderate grand mean, showing that promotional activities have an impact on brand choice but are not the most important element. The variability is moderate, indicating that promotions have different effects on customer preferences. Situational variation has a comparatively low grand mean, indicating that situational factors have less influence on brand preference than other characteristics. The range is moderate, demonstrating some variation in how situational conditions affect various consumers.

The overall conclusion is that the data shows that perceived quality is the most important dimension of brand preference, with the highest mean score and relatively low variability, showing that consumers recognize quality consistently. Emotional value is equally significant, emphasizing the importance of consumers' emotional connections with the brand. In contrast, reference group impacts and situational variations have a less impact on brand preference,

implying that consumers are less influenced by others' opinions or situational considerations when selecting products. Promotion and brand consciousness are in the middle, with a moderate influence on customer preferences. These insights can help brand strategies focus more on sustaining high quality and emotional engagement, while also effectively leveraging brand awareness and promotional initiatives.

4.9 Correlation Analysis

The study's statistical analysis involved analyzing the relationship between Brand Preference and the variables that influence beer consumption. This analysis was performed to demonstrate the interdependence of independent and dependent variables. These were created using Pearson's coefficient to determine the level of relationship. Pearson's co-efficient measures the intensity and direction of correlation between two variables and ranges from -1.0 to +1.0.

A correlation analysis using Pearson's correlation coefficient (r) was performed on all variables in this study for two reasons. On the one hand, it was utilized to do correlation analyses to investigate the correlations between variables. On the other hand, ranking the criteria that have the largest influence on brand preference in beer consumption in the Ethiopian beer business.

Field (2005) offered the following rules for interpreting the strength of correlations between variables: His classification of correlation efficiency (r) is as follows: 0.1-0.29 is weak, 0.3-0.49 is moderate, and >0.5 is strong. A two-tailed statistical significance test was used to evaluate the bivariate correlation technique. The findings of the correlation analysis of Brand Preference with its determining variables are presented below.

Table 6:11 Pearson Correlation Analyses on dimensions and brand preference

	Perceived Quality	Brand Consciousness	Reference Group	Emotional Value	Promotion	Situational Variation	Over all brand
Perceived Quality	1						
Brand Consciousness	.760**	1					
Reference Group	.546**	.562**	1				
Emotional Value	.741**	.606**	.416**	1			
Promotion	.582**	.504**	.398**	.681**	1		
Situational Variation	.497**	.517**	.700**	.495**	.398**	1	
Over all brand	.781**	.682**	.548**	.750**	.614**	.549**	1

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

(Source: survey result, 2024)

Table 4.11 shows the relationship between brand choice and the factors that influence it. According to Fields' (2005) classification, perceived quality ($r=.781$) has a significant relationship with brand preference. Brand consciousness ($r=.682$), emotional value ($r=.750$), and promotion ($r=.614$) all show significant correlations with brand preferences. Reference group influences ($r=.548$) and situational variation ($r=.549$) have strong/moderate correlations with brand choice for beer consumption."

Finally, it is clear that perceived quality, brand consciousness, emotional value and promotion, reference group influence, and situational variance all have a major influence on brand preference in the Ethiopian beer sector in Addis Ababa.

4.10 Regression Analysis

In order to see the factors that influence the brand preference of consumers in beer consumption, in the Ethiopian beer industry the study has followed OLS method to conduct the estimation.

4.10.1 Post-Estimation Tests

After conducting estimation by using OLS method, the study has checked fitness of the model in complying classical model assumptions; multicollinearity test.

Multicollinearity test

VIF (Variance inflation factor) was used to show the Multicollinearity test. According to Velnampy & Sivesan (2012) multicollinearity occurs when VIF values are above 10. The Result of multicollinearity test is presented in table 4.12 below.

Table 6:12 Multicollinearity Test

	Collinearity Statistics	
	Tolerance	VIF
Perceived Quality	.284	3.517
Brand Consciousness	.383	2.609
Reference Group	.434	2.307
Emotional Value	.337	2.971
Promotion	.514	1.945
Situational Variation	.456	2.193

Source: Survey, 2024

As described in table 4.12 above, The VIF values of the independent variable are below 10 which suggest that there is no multicollinearity among the study independent variables.

4.10.2 Estimation Result

In this section of the study, the results of the econometric estimation are presented. The results of econometric estimation are presented in Table 4.14, Table 4.15 and Table 4.16 that presents model summary, ANOVA result and coefficients respectively.

Model summary the level of variation of dependent variable due to variation with independent variables. The level of the overall brand preference is summarized by using R-square statistics. The overall brand is indicated by using), Situational Variation, Promotion, Brand Consciousness, Reference Group, Emotional Value, Perceived Quality that were used as independent variables in the model. The result of model summary is presented in Table 4.14 below.

Table 6:13 Model Summary

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.841 ^a	.708	.703	.54409

a. Predictors: (Constant), Situational Variation, Promotion, Brand Consciousness, Reference Group, Emotional Value, Perceived Quality

b. Dependent Variable: Over all brand

As shown below in Table 4.14, the value of R is 0.841 and it is positive. In addition, the computed value of R-square is 0.708. The result of model summary indicates), Situational Variation, Promotion, Brand Consciousness, Reference Group, Emotional Value, Perceived Quality has positive effect on brand preference.

Table 6:14 ANOVA

		ANOVA ^a				
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	269.907	6	44.984	151.959	.000 ^b
	Residual	111.307	376	.296		
	Total	381.214	382			

a. Dependent Variable: Over all brand

b. Predictors: (Constant), Situational Variation, Promotion, Brand Consciousness, Reference Group, Emotional Value, Perceived Quality

This indicates the effect of Situational Variation, Promotion, Brand Consciousness, Reference Group, Emotional Value, Perceived Quality on brand preference is statistically significant. This suggests Situational Variation, Promotion, Brand Consciousness, Reference Group, Emotional Value, and Perceived Quality practices significantly affect over all brand preference. The effect of individual components of Situational Variation, Promotion, Brand Consciousness, Reference Group, Emotional Value, and Perceived Quality is presented in Table 4.15 below based on sign of the coefficients, t-statistics and p-values.

Table 6:15 Coefficients

		Coefficients^a				
		Unstandardized		Standardized		
		Coefficients		Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	.385	.117		3.276	.001
	Perceived Quality	.332	.051	.338	6.466	.000
	Brand Consciousness	.103	.042	.109	2.431	.016
	Reference Group	.087	.044	.085	1.999	.046
	Emotional Value	.277	.046	.292	6.074	.000
	Promotion	.092	.037	.097	2.493	.013
	Situational Variation	.077	.039	.082	1.984	.048

a. Dependent Variable: Over all brand

(Source: survey result, 2024)

Similarly the regression table shows the overall significance /acceptability of the model from a statistical perspective. As the significance value of F statistics shows a value of (.000), which is less than $P < 0.05$. Thus the model is significant which indicates that the variation explained by the model is not due to chance. As stated in previous chapters the study aims to identify the most contributing independent variable in the prediction of the dependent variable (i.e. Brand Preference). Thus the strength of each predictor (Independent variable) influencing the criterion (Dependent Variable) can be investigated via standardized beta coefficient. The regression coefficient explains the average amount of change in the dependent variable that is caused by a unit change in the independent variable. The larger value of Beta coefficient an independent variable has, brings the more support to the independent variable, as the more important determinant in predicting the dependent variable.

The R-square value only indicates the variance in the overall brand preference of consumers in the Ethiopian, Addis Ababa beer industry as it is explained by the independent variables. When we see the extent to which each independent variable influences the dependent variable Perceived Quality, Emotional Value, Brand Consciousness, Promotion, Situational variation of the consumer and Reference Group Influence, were found to be a determinant of the brand preference of beer consumption, given in the order of descent. Perceived Quality has been found to be the most important determinant in influencing consumer brand preference in beer consumption in the Ethiopian, Addis Ababa beer industry.

According to table 4.16, the standardized coefficients for the five independent variables are Perceived Quality 0.38, Brand Consciousness 0.109, Reference Group Influence 0.85, Emotional Value 0.292, , Promotion 0.097, Situational Variation 0.082, and their significance levels are .000, .016, .046, .000, .013, .048 respectively which are all less than $P < 0.05$.

As stated in the above paragraph the larger the value of beta coefficient an independent variable has it brings more support to the independent variable as being more important in predicting the dependant variable so this justifies the reason for ranking determinants of brand preference according to their beta coefficient outcome. This regression analysis indicates that there is a significant relationship between the independent variables and the dependent variable brand preference. Since coefficients of the predictor variables are statistically significant at less than five percent alternative hypotheses related to all six determinants of brand preference were accepted.

4.11 Hypothesis Summary

Table 6:16 Summary of the overall outcome of the research hypotheses

Hypotheses	Coef.	Sig.	Decision
H1: Perceived quality has a significant influence on consumer beer brand preference in the Ethiopian beer industry.	.338	.000	Supported
H2: Brand Consciousness of a particular brand does influence consumers preference for that brand.	.109	0.16	Supported
H3: There exists a significant relationship between reference group influence and brand preference of beer consumption.	.085	0.46	Supported
H4: Emotional Values does have an influence on consumer preference for that brand.	.292	.000	Supported
H5: The promotion of beer brand does influence consumer preference for that brand	.097	.013	Supported
H6: There is a significant positive relationship between consumers' situational variation and their brand preference of consumption.	.082	.048	Supported

As shown in Table 4.12 above, coefficients have positive sign and they are statistically significant at significance level of 1%. As a result, the hypotheses summary reports suggest that Perceived Quality, Brand Consciousness, Reference Group Influence, Emotional Value, Situational Variation and Promotion have positive effect on brand preference.

4.12 Independent Sample T-test Between Gender and Overall Brand Preference

Inferential statistics was used to examine if there is a difference between the demographic profile of respondents and overall brand preference. Independent sample t-test and one way ANOVA were used to show similarities and differences between different groups of participants. The below table shows, an independent t-test between male and female respondents and determinants of brand preference.

Table 6:17 Independent sample t - test between gender and overall brand reference

	<i>Gender</i>	<i>N</i>	<i>Mean</i>	<i>Std. Deviation</i>	<i>Mean Difference</i>	<i>T-Value</i>	<i>Sig(p)</i>
<i>Overall Brand Preference</i>	<i>M</i>	265	3.8962	0.88098	0.39623	3.641	.001
	<i>F</i>	118	3.5000	1.18213		3.260	

(Source: survey result, 2024), Significant at P<0.05

Table 4.18 shows that male and female respondents have a mean difference in their total beer brand preferences. The independent t-test indicates a significant difference (p-value = 0.001, $p < 0.05$). This result suggests that the mean difference in overall beer brand preference between male and female respondents is statistically significant, as the p-value is substantially less than 0.05.

In other words, the t-test results indicate a substantial difference in brand preference in beer consumption between male and female respondents in Ethiopia's Addis Ababa beer business. This implies that gender has a considerable influence on beer brand selection among these respondents.

4.13 One-way ANOVA between Age and Overall Brand preference

In order to find out if there is a significant difference between overall brand preference and respondents age groups one way ANOVA analysis was used. The result in the table 4.19 below shows a significant difference between age groups and overall brand preference.

Table 6:18 One Way ANOVA between age and determinants of brand preference

		<i>Sum of Squares</i>	<i>df</i>	<i>Mean Square</i>	<i>F</i>	<i>Sig.</i>
<i>Overall Brand Preference</i>	<i>Between Groups</i>	<i>30.884</i>	<i>4</i>	<i>7.721</i>	<i>8.331</i>	<i>.000</i>
	<i>Within Groups</i>	<i>350.330</i>	<i>378</i>	<i>0.927</i>		
	<i>Total</i>	<i>381.214</i>	<i>382</i>			

(Source: survey result, 2024), Significant at P<0.05

As seen from the above table the respondents un-similarity with in age groups shows a significant difference at F=8.331 and P value (.000) which is P<0.05. This means that there is a significant difference between age groups and their measure of loyalty to their first choice of beer brands. Overall brand preference to first preferred beer brand is different at various age groups.

4.14 One-way ANOVA between Consumption Level and Overall Brand Preference

One way ANOVA was also performed to see if there is a significant difference between various consumption levels of the respondents and overall brand preference. Table 4.20 below represents the difference that exists between different groups of consumption level of respondents and overall brand preference.

Table 6:19 One Way ANOVA between consumption level and overall brand preference

		<i>Sum of Squares</i>	<i>df</i>	<i>Mean Square</i>	<i>F</i>	<i>Sig.</i>
<i>Overall Brand Preference</i>	<i>Between Groups</i>	<i>25.545</i>	<i>4</i>	<i>6.386</i>	<i>6.787</i>	<i>.000</i>
	<i>Within Groups</i>	<i>355.669</i>	<i>378</i>	<i>0.941</i>		
	<i>Total</i>	<i>381.214</i>	<i>382</i>			

(Source: survey result, 2024), Significant at $P < 0.05$

The above table represents the difference that exists between different groups of respondent consumption level with respect to overall brand preference. As seen from the above table 4.15 the respondents un-similarity with in consumption level groups shows a significant difference at $F=6.787$ and P value (.000). This means that there is a significant difference between different consumption level group of the respondents and their overall brand preference to their first choice of beer brands.

4.15 Discussions of Results

The research also examined the various consumption levels that occur among customers, ranging from once a month to almost daily consumption. The study also investigated which beer brand is most popular.

The cross tabulation of demographic profiles like age of respondents with respect to their first consumption level revealed that consumption level starts out low at younger ages and reaches higher levels of consumption of up to daily at the late twenties to late forties then consumption level decreases. The survey also revealed the number one most preferred beer brand in the market which is Habesha beer and followed at number two Heineken beer and third Arada beer brand. But out of these brands only Arada has a high preference of female consumers' as much as male consumers. ,

The respondents' beer brand preferences vary according to their age. Some brands are better suited to younger audiences. Adults and older people's preferences for beer brands differ from those of younger respondents. Determinants of brand choice considered for this study represent two sides: brand or product particular characteristics and general consumer variables. The product-related variables include perceived quality, promotion, and emotional value. On the consumer side, there is brand consciousness, reference group influence, and consumer situational variance.

The research analyses various factors influencing beer brand preference among consumers in Addis Ababa, Ethiopia, through a combination of perceived quality, brand consciousness, reference group influence, emotional value, promotion, and situational variation. The study compares and contrasts these factors, examining their impact on beer brand choice and consumption levels among different demographic groups. Perceived quality is defined by (Aaker, 1991) as the consumer's judgment about a product's overall excellence or superiority. The study confirms this by revealing that beer brands producing excellent quality scored the highest mean, indicating that perceived quality is the most influential determinant of brand preference. This aligns with (Keller, 1993) assertion that perceived quality provides consumers with a reason to buy by differentiating the brand from competitors. Brand consciousness, as defined by Marx (1995), involves an understanding that brand names hold personal relevance or value. The study found that preferring and buying well-known beer brands scored the highest mean, suggesting that brand consciousness significantly influences consumer choices. This finding supports Liebeck(1996) and Rausch's research, which indicate that young adults and college students are notably brand-conscious and loyal to certain brands. Reference group influence, as described by (Bearden, W.O and Etzel, M.J. , 1982), involves the impact of groups on an individual's behaviour. The study indicates that buying beer to make an impression on others scored the highest mean within this variable. This corroborates (Kotler, 2004) view that reference groups are used by advertisers to influence consumer preferences by showcasing products in socially appealing scenarios. Emotional value is defined by Sweeney & Soutar (2001) as the benefit derived from the feelings a product generates. The study found that beer brands satisfying through taste had the highest mean, suggesting that emotional value is a critical determinant. This is consistent with Holbrook's (1986) finding that products providing non-utilitarian benefits, such as enjoyment, generate significant emotional value. Promotion,

according to (Ayanwale, A.B, Alimini, T and Ayalambe, M.A, 2005), involves the dissemination of product information to persuade consumers. The study reveals that giving a confirmation of the purchase scored the highest mean for promotion, emphasizing its role in brand preference. This finding aligns with (Katke, 2007) assertion that advertising aims to inform and persuade consumers about product benefits. Situational variation, as discussed by (Belk, 1974), involves the impact of specific situational factors on consumer behaviour. The study indicates that beer brand preference varies significantly based on different occasions, moods, and settings, scoring the highest mean in this category. This supports (Vazquez, R., Belen del Rio, R., and Iglessia, V., 2002) who suggest that situational factors are strong predictors of consumer behaviour.

The study finds a correlation between demographic profiles and consumption levels, noting that beer consumption starts low at younger ages, peaks in the late twenties to late forties, and then declines. This trend is consistent with the findings of (Yang, S., Allenby, M.G and Funnel, G. , 2000) that consumer preferences change according to their life stages and situational contexts. Additionally, the brand preference varies with age and gender, indicating that younger audiences prefer different brands compared to older consumers.

The regression analysis showed that perceived quality, emotional value, brand consciousness, promotion, situational variance, and reference group influence together explain 70.3% of the variance in consumer brand choice. Perceived quality emerged as the most influential determinant, followed by emotional value and brand consciousness. This supports the study's hypotheses and highlights the importance of these factors in shaping brand preferences in the Ethiopian beer market.

The study's findings underscore the significant impact of perceived quality, brand consciousness, emotional value, promotion, and situational variation on beer brand preference among consumers in Addis Ababa. The theoretical framework provided by authors like (Aaker, 1991), (Keller, 1993) Marx (1995), and others helps explain the strong association between these variables and consumer behaviour, reinforcing the importance of these factors in marketing strategies and consumer decision-making processes.

CHAPTER FIVE

2. 5. Conclusion and Recommendations

5.1 Summary of Findings

The overall goal of the research is to investigate the factors influencing Ethiopian beer purchasers' brand preferences. What are the determining variables that lead a person to favor one brand over another? The theses comprise all of the beer brands that are currently produced and consumed in the beer market at the time of the research. The respondents for the research were drawn from the demographic that consumed these offerings in the beer market at the time of the survey. According to the model proposed by Young et al (2006), drivers of brand preference include perceived quality, brand consciousness, reference group influences, and emotional value. However, in the framework of this thesis, the researcher has included two more variables: promotion and customer situational variation

According to the data study, men respondents make up the majority of beer customers. The research model shows that perceived quality is the most important determinant. Brand consciousness comes second, followed by emotional value and promotion, and so on. It was discovered that out of all the variables chosen as drivers of brand preference, perceived quality had a high association with beer brand preference.

Habesha is the most popular beer, followed closely by Heineken. Arada was discovered to be the most preferred brand among female consumers. As for the male consumer, because the market is dominated by male consumers, there is no distinguishing brand the male consumer prefers, except to draw a slight contrast. Habesha is the most popular beer brand among men, yet there is a substantial variance in brand preference across age groups.

In terms of respondents' consumption levels and overall brand preference, there is a difference between consumption levels and overall brand preference. For example, respondents who drink daily versus once a month have a significant difference in their overall brand preference, with their preference for their preferred brand over others or as their first choice every time differing between consumption levels.

5.2 Conclusion

Brand preference is a consumer choice in which he or she chooses a specific brand over rival brands yet accepts alternatives if that brand is not available. Selective demand for a company's brand and product refers to how much people prefer one brand over another. It is the percentage of people who state that a specific brand is their preference. It reflects which brands are favored assuming price and availability are equal (Amadi & Ezekiel, 2013). This is relevant to the topic at hand.

A consumer's decision to frequently purchase or prefer one product over the other is influenced by a variety of factors, but in this case, what are the most determining factors that cause a person to prefer one brand over the other when price equality and availability are equal for both industry brands, taking into account that they are available to the purchaser a hand stretch away. Under this assumption, the study focuses on Ethiopia's beer sector, namely Addis Abeba. By analyzing or observing the numerous options available to the consumer, one appears to understand what motivates or causes the buyer to favor different brands of beer under the existing market assumption that price and availability are equal. Obviously quality comes first with respect to fair industry pricing but there is more to the idea than only just beer quality.

The research examines the study from two perspectives: one from the manufacturer/product, or as brand-specific characteristics, and the other from the user, or as general consumer variables. The brand-specific variables included perceived quality, which is the ability of a product to meet stated or expected needs. Also included is emotional value, which is defined as the happiness or pleasure obtained from drinking a product. Finally, on the product side, beer brands are promoted to elicit or establish preferences. And, among general consumer characteristics, brand consciousness comes first. This is how consumers are attached to a specific brand or product, as well as their proclivity to repeat purchases due to previous purchases. The second variable in the group is reference group influence, which refers to the consumer tendency to conform to favorable expectations of others and the need to conform oneself to a specific group. The final variable is situational variation, which represents customers' purchasing attitudes when consuming in various contexts. After selecting all of these characteristics as predictors of brand preference in beer consumption, the research approaches the problem from six different

perspectives. Based on the previous chapter's investigation, the following findings are drawn regarding brand choice in beer consumption in Ethiopia's beer business.

The typical consumer beer consumption level is highest between the mid-twenties and early forties. According to survey results, the average consumer begins at a younger age and consumes in larger numbers in the midranges, after which the consumption level drops with age until he or she reaches the late forties, when the consumption level is very low.

It is also noted that male groups consume the most beer in the industry. According to statistical analysis, Habesha beer is currently the market's most popular beer. Heineken is the second most desired beer brand. Arada, a new beer, is the third most popular among female consumers, nearly as much as male consumers. Anbessa beer brand was found to be the least preferred beer brand in the market by male and female consumers as seen from the data survey the market is dominated by male consumer.

Beer brand preferences fluctuate among age groups. Some beer brands are preferred by younger demographics, whereas others are chosen by older ones. Another finding from this study was that female respondents prefer some beer brands over others. For example, when it comes to Arada, female respondents or consumers prefer them above male consumers, indicating that the brand is doing something to entice the male-dominated market with its offers.

When examining determinants of brand preference, brand/product specific characteristics are found to be more influential than overall consumer variables. The regression analysis revealed that all of the variables were influential.

The perceived quality of the brand/product has a significant influence on the consumer's selection for beer brands. The consumer's perception of a product's overall greatness, esteem, or superiority, as well as their subjective evaluation of the product's quality, heavily influences brand preference for beer consumption. As a result, perceived quality is the most important factor in determining brand preference among beer drinkers. Brand consciousness, promotion,

and emotional value are also found to be of great importance, second only to perceived quality, with consumers seeking the benefits that products provide through use.

Consumers buy for a cause. After evaluating the product's performance, which is covered under perceived quality, their next reference point is the emotional value, benefit, or enjoyment they can gain from drinking the beer, which is their purpose for purchasing. According to the poll results, the majority of beer customers prioritize taste. It is well known that different beer brands have a range of tastes, and different consumers have different types of taste needs. By evaluating their needs, consumers arrive at a conclusion about a certain taste.

On the other hand, brand consciousness and promotion have an impact on beer brand preferences. Preferring and purchasing well known beer brands have a significant impact on brand-conscious customers. Promotion, as one of the primary communication methods about a company's offering/product, also plays a role in determining consumer brand preference in beer consumption by raising public awareness and familiarity with products and communicating their points of differentiation and brands. Situational variation, which is observed on the general consumer variable side, has also been identified as a primary predictor of how consumer preferences vary in response to diverse conditions. It is where beer brand selection fluctuates at times because the benefits sought out by consumers can vary depending on the situation the consumer is in.

When examining reference group influences, they also play a role in determining beer consumers' brand preferences. When examining the relationship between determinants of brand preference and beer brand preference, all of the determinants exhibit a substantial correlation or relationship with brand preference.

When variations between groups are considered, gender and overall brand choice show a substantial difference, indicating that gender has a major impact on respondents' beer brand preferences. When considering the relationship between overall brand preference and age, there is a considerable variance between age groups. This means that consumers' brand preferences vary by age group.

Furthermore, there is a substantial difference between respondents' diversified consumption levels and their overall brand preference to their first choice of beer brands. It can be seen that varied degrees of intake were addressed throughout the study, ranging from once a month to everyday drinking. And the respondents' total brand preference varies between these different consumption groups.

The study's other specific purpose was to determine consumers' overall brand preference or measure of brand loyalty in relation to their first choice or favorite beer brand. According to the research, the majority of respondents prefer their first selections above competing brands and stick with them until they are unavailable, at which point they switch brands.

Finally, all variables identified as drivers of brand preference in beer consumption based on data collection and analysis results were found to be significant and influential to the study's outcome. Though all variables were not as influential at the same stage, their level of value and significance to the topic is high.

5.3 Recommendations

Based on the discussion in previous chapters, the study concludes and makes recommendations for the Ethiopian, Addis Ababa beer sector, and other market participants. If any beer production company wants to be on the cutting edge of competition, they should consider the following.

- Beer manufacturers should prioritize perceived product quality and create consumer-oriented designs. Consumer evaluation of the product against rivals products determines the success or failure of a new or matured product, hence benchmarking one's product is a very dependable technique to outperform competitors.
- As a result, because emotional value has been identified as vital, producers should build their products to fulfill customers' emotional demands. Starting with producing items that fulfill the highest level of beer flavor standards to designing packages or containers that entice consumers, which may be accomplished through thorough marketing research.

And introduce fresh offerings to the industry through product innovation, which will propel the firm to the top of that market segment.

- Strengthen brand recognition through community involvement, contributions, and other acts of giving back. This will attract brand-conscious shoppers.
- Manufacturers should promote their products in a unique way to differentiate them from competition. Communicate their point of distinction in a consumer-friendly way. Avoid using the same promotional materials. Make endorsements for beer brands with well-known celebrities who are well-suited to the role and popular with the public.
- Use social media to promote beer brands, as beer is typically enjoyed socially
- When promoting a brand, consider many perspectives. Consider the positioning perspective, which involves generating a favorable position in the minds of consumers. Value perspective in which the backstory and/or meaning of the brand name or emblem adds value to the product. They should employ the most essential brand perspective, perceptual appeal, to elicit the consumer's emotion through properly crafted materials. And the personality perspective, in which the brand is given personality and the product is humanized through the use of well-known celebrities or endorsers.
- Advertise the benefits of group purchasing, such as security, acceptability, and championship, while also depicting a friendly environment. Producers should emphasize social groupings in their advertisements, and they should exploit this further by segmenting their markets into separate social classes.
- Situational variation has a substantial impact on consumer brand preferences for beer. Consumers may confront identical environments, yet a variety of motivating factors may influence their beer brand decision. The consumer may like to have a refined test depending on situational incentive. Manufacturers should capitalize on this potential by

creating more distinguished items than the typical beer variety and attempting to attract clients who desire a more refined and pricey test.

- Ensure product availability for consumers at all times. Because preferences revolve mostly around availability and price equality, make things available at all convenient areas.
- Companies should prioritize consumer marketing research to stay current with client needs. It will also aid in the discovery of unmet needs and the launch of new products, hence increasing firm market share and creating brand equity.
- Analyze both the internal and external environments. Internal analysis will assist in identifying the company's potential resources and liabilities, as well as finding options for improvement. External analysis will assist in spotting threats and opportunities, conducting research into competitors, and defending and gaining market share against competing new product releases, which if not performed will render one's product outdated.
- Eliminate the assumption that male consumers outnumber females in the market. A plan for serving the market sector that caters to the needs of female beer drinkers should be developed. According to statistics from a survey, there are few female consumers. A plan should be developed to enter this industry and attract more female users with feminine-friendly beer goods.
- Manufacturers can capitalize on the low income of consumers aged 21-25 by designing products for this category and positioning them as alternatives.

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Appendix A: Questionnaire

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

Dear Respondents

The intent of this questionnaire is to study "Factors Influencing Brand Preference of Beer Consumption in the Ethiopian beer industry". The research paper is intended for the partial fulfilment of Master's Degree in Marketing Management at Addis Ababa University School of Commerce. Hence, taking in to account its educational purpose, you are kindly requested to fill the questionnaire objectively and honestly, as the outcome of this study will highly depend on your cooperation. Participation is purely voluntary and no need to write your name anywhere in this questioner.

In advance, I thank you for your kind Cooperation.

For further inquiries you can contact me at +251 920653747 or at lidyanegassi.37@gmail.com

Note: Please make sure the questioner has four pages containing three parts.

Part I: Please put (√) in the boxes provided for your desired responses.

1. Gender : Male Female
2. Age : 18-24 25-31 32-38 39-45 46-52
 Above 53
3. Education: Diploma Degree Masters PHD
 Student Other
4. Monthly Income in(ETB): less than 10000 10001-25000
 25001-50000 50001-100,000 >100,000
5. Occupation: Employed Self-employed Unemployed Student

Part II: Please put (√) in the boxes provided for your desired responses.

1. Do you drink beer? Yes No
2. How regularly do you drink beer?
- Daily 2- 3 Times a week once a week
- Twice a month once a month

3. Which brand of beer is your first choice or preference? Please choose only one beer brand.

<input type="checkbox"/> St. George	<input type="checkbox"/> Anbessa	<input type="checkbox"/> Castle	<input type="checkbox"/> Harare
<input type="checkbox"/> Habesha	<input type="checkbox"/> Meta	<input type="checkbox"/> Walia	<input type="checkbox"/> Arada
<input type="checkbox"/> Dashen	<input type="checkbox"/> Bedele	<input type="checkbox"/> Heineken	

Part III. In the table Please put (√) in the space provided on the appropriate response category against each question. Where, (S.D=strongly disagree=1, D=disagree=2, N=neutral=3, A=agree=4 and S.A=strongly agree=5).

Note: The brand you named in the table represents your first choice of beer in the previous question (In part II, Q 3)

		S.D	D	N	A	S.A
No	Perceived Quality	[1]	[2]	[3]	[4]	[5]
1.	My first choice of beer brand produces excellent quality beer.					
2.	The quality of my first choice of beer brand is always consistent.					
3.	My first choice of beer brand provides reliable and trustworthy products.					
4.	My first choice of beer brand has excellent features.					
	Brand Consciousness	[1]	[2]	[3]	[4]	[5]
5.	I prefer and buy well known beer brands.					
6.	I pay more attention to the beer brand name.					
7.	I try to stick to certain beer brands.					
	Reference Group Influence	[1]	[2]	[3]	[4]	[5]
8.	By purchasing beer brand of my first choice of as my friends I achieve a sense of belonging.					
9.	I prefer or buy beer brands when I am sure friends like it.					

10.	I like and prefer brands, which make a good impression on others.					
11.	I like and prefer beer brands that give off an expression of me to others when I consume them publicly.					
	Emotional Value	[1]	[2]	[3]	[4]	[5]
12.	I consider and prefer beer brands that satisfy me through taste.					
13.	I prefer beer brands that make me feel good when I drink it.					
14.	I like and prefer beer brands that have new and different product features like (Brand name, taste, manufacturer...etc.)					
	Promotion	[1]	[2]	[3]	[4]	[5]
15.	Good Beer commercials persuade my preference of beer.					
16.	Looking at a promotion of my first choice of beer brand, gives me a good conformation of my decision to buy it.					
17.	If I see an eye catching promotion of a beer brand, the next time I drink beer it will be that beer brand that comes to mind.					
	Situational Variation	[1]	[2]	[3]	[4]	[5]
18.	I drink different kind of beer brands at different occasions, moods, when out of town or on a trip.					

19.	My beer preference is different when I'm in different situations or moods.					
	Over all brand preference	[1]	[2]	[3]	[4]	[5]
20.	I prefer my first choice of beer brand to other competing brands					
21.	The Brand I choice as my first choice of beer is my top selection from other brands					