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**THE EFFECT OF ADVERTISING ON CONSUMERS' BUYING PREFERENCE,
THE CASE OF GM FURNITURE IN ADDIS ABABA**

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THE EFFECT OF ADVERTISING ON CONSUMERS' BUYING
PREFERENCE: THE CASE OF GM FURNITURE IN ADDIS ABABA

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DECLARATION

I, Tigist W/mariam, hereby declare that this thesis titled, ‘**The Effect of Advertising on Consumers’ Buying Preference: The Case of GM Furniture in Addis Ababa** is my original work. I have carried out the present study independently with the guidance and support of the research advisor, Temesgen Belayneh (Ph. D).

Any other research or academic sources used here in this study have been duly acknowledged.

Moreover, this study has not been submitted for the award of any Degree or Diploma Program in this or any other institution.

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Table of Contents

Contents	Page
Acknowledgment	i
Table of Contents	ii
List of Tables	v
List of Figures	vi
Acronyms	vii
Abstract	viii
CHAPTER ONE	1
INTRODUCTION	1
1.1. Background of the Study.....	1
1.2. Company Background.....	2
1.3. Statement of the problem	3
1.4. Research Question	4
1.5. Research Objective	5
1.5.1 General Objectives of the Study	5
1.5.2. Specific Objective of the Study	5
1.6. Scope of the Study	5
1.6.1. Theoretical scope	5
1.6.2. Geographical scope.....	5
1.6.3. Methodological scope	6
1.7. Significance of the Study	6
1.8. Definition of terms	6
1.9. Limitation of the study.....	6
1.10. Organization of the study.....	7
CHAPTER TWO	8
REVIEW OF RELATED LITRATURE.....	8
2.1. Theoretical Review	8
2.1.1. Definition and concept of Advertisement	8
2.1.2. Planning of an advertising campaign	10
2.1.2.1. Organization of an advertising campaign	10
2.1.3. Major decision area of advertising.....	11
2.1.3.1. Setting an objective.....	11

The Effect of Advertising on Consumers Buying Preference: The Case of GM Furniture

2.1.3.2. Creating the advertising messages	12
2.1.3.3. Developing the media plan	13
2.1.3.4. Evaluating advertising effectiveness.....	13
2.1.3.4.1. The Source Factor	14
2.1.3.4.2. The Message Factor	16
2.1.3.4.3. The Channel Factor.....	16
2.1.4. Consumer’s Brand preferences	17
2.1.5. Advertisement and Brand Preferences	18
2.1.6. AIDA Model	18
2.1.7. DAGMAR Model	21
2.2. Empirical Literature review	22
2.3. Conceptual Framework	25
CHAPTER THREE	26
RESEARCH METHODOLOGY	26
3.1. Research Design.....	26
3.2. Research Approach	26
3.3 Population and Sample.....	27
3.3.1 Population	27
3.3.2 Sampling Technique	27
3.3.3 Sample Size Determination.....	27
3.4 Data Sources and Types.....	28
3.4.1 Data Collection Instruments.....	28
3.5 Procedures of Data Collection	29
3.6 Data Analysis Technique	29
3.7 Reliability and Validity.....	29
3.7.1 Validity	29
3.7.2 Reliability.....	30
3.8 Ethical Considerations	30
CHAPTER FOUR.....	31
DATA PRESENTATION, ANALYSIS AND INTERPRETATION	31
4.1. Descriptive Statistics.....	31
4.1.1 Demographic Analysis of Respondents	32
4.1.2 Descriptive Statistics of Variables	33
4.1.2.1 Descriptive Statistics of the Source Factor	34
4.1.2.2 Descriptive Statistics of Message Factor	35

The Effect of Advertising on Consumers Buying Preference: The Case of GM Furniture

4.1.2.3 Descriptive Statistics of Channel Factor	36
4.1.2.4 Descriptive Statistics of Consumers' Buying Preference	37
4.3 Inferential Statistics	38
4.3.1 Correlation Analysis	39
4.3.2 Assumption Testing for Regression Analysis	40
4.3.2.1 Normality Assumption	40
4.3.2.2 Linearity Assumption.....	41
4.3.2.3 Multicollinearity Assumption	42
4.3 Regression Analysis.....	42
4.3.1 Multiple Regressions.....	42
4.4 Hypothesis Testing and Interpretation of Results	45
4.5 Discussion of Results	46
CHAPTER FIVE	49
SUMMARY, CONCLUSION AND RECOMMENDATION	49
5.1 Summary of Findings.....	49
5.2 Conclusion	50
5.3 Recommendations.....	51
5.3 Limitations and Future Directions	52
REFERENCE.....	53
Appndix	

List of Tables

TABLE 1: Reliability analysis of variables (Survey result using SPSS 2020).....	30
TABLE 2: Demographic characteristic of respondents (Survey result using SPSS 2020)....	32
TABLE 3: Descriptive statistics of variables (Survey result using SPSS 2020).....	34
TABLE 4: Source factor descriptive statistics (Survey result using SPSS 2020).....	35
TABLE 5: Message factor descriptive statistics (Survey result using SPSS 2020)	36
TABLE 6: Channel factor descriptive statistics (Survey result using SPSS 2020)	37
TABLE 7: Consumers' buying preference descriptive statistics (Survey result using SPSS 2020)	38
TABLE 8: Correlation result, <i>n=334</i> (Survey result using SPSS 2020).....	39
TABLE 9: Skewness and Kurtosis measures (Survey result using SPSS 2020)	41
TABLE 10: Multicollinearity test using Consumers' Buying Preference as a dependent variable (Survey result using SPSS 2020).....	42
TABLE 11: Model Summary (Survey result using SPSS 2020).....	43
TABLE 12: ANOVA ^a (Survey result using SPSS 2020).....	44
TABLE 13: Coefficient Matrix (Survey result using SPSS 2020).....	44
TABLE 14: Results of the hypothesis testing and their reasons (Survey result using SPSS 2020)	45

List of Figures

Figure 2.1 AIDA Model	21
Figure 2.2 DAGMAR Model	22
Figure 2.3 Conceptual framework of the Research	25

Acronyms

ANOVA Analysis of Variance

CBP Consumer Buying Preference

CF Channel Factor

MF Message Factor

SF Source Factor

SPSS Statistical Packages for Social Science

VIF Variance Inflation Factor

Abstract

Measuring the effect of advertisement in consumers buying preference is very essential for every marketer. If Advertisement does not create any positive change in consumers' buying preference, all resources like money, time, and energy spent on advertisement will enter vain. The primary objective of this study was to analyze the effects of advertising on consumers' buying preference of GM furniture in Addis Ababa, Ethiopia. A quantitative approach was used in this research. In order to collect primary data, a structured questionnaire was prepared and given to the customers of GM furniture using a convenience sampling technique. Out of the distributed 385 questionnaires, 334 were valid and SPSS software was used to process the primary data. To measure the effect of advertising on consumers' buying preference, the source factor, the message factor and therefore the channel factor of advertising were considered. From the findings of this study, it had been acknowledged that the source factor, the message factor and therefore the channel factor of advertising have positive and significant effects of up to 62.9% on the consumers' buying preference. The result further indicated that the channel factor has the very best positive and significant effect on consumers' buying preference. This implies that marketing managers got to give more emphasis and due attention to all or any the three variables since they influence consumers' buying preference significantly, in order that the corporate could increase its market share and stay in the market competitively.

Key words: *Source factor, Message factor, Channel factor, Consumers' buying preference*

CHAPTER ONE

INTRODUCTION

This chapter presents the background of the study, statement of the problem, research questions, Objective of the study, significance of the study, scope of study, limitation of study and organization of the research report.

1.1. Background of the Study

One of the crucial factors that influence consumers' choices is the marketing mix, which comprises of the promotion. The key element of such promotional activities is advertising (Keller, 2013). Advertising is a significant tool to extend product awareness within the mind of a possible consumer that might make an eventual purchase decision (Abideen and Saleem, 2011).

Advertising is a subset of promotion mix and is one of the 4ps in the marketing mix which comprise product, price, place and promotion Advertising is a promotion strategy which serves as a serious tool in creating product awareness within the mind of the buyer to require purchasing decision. Advertising, sales promotion and public relations are mass communications tools used by marketers. Advertising through mass media influences audience, but television has mass reach and is that the strongest medium of advertising. Advertising can influence the attitude of individual behavior, life style within the end of the day also because the culture of the country (Latif & Abideen, 2011).

Advertising might be a dominant and leading weapon altogether marketing tools because of its positive impact on consumers' buying preference. it is a lovely because of communicate and convey the message to the audience. Advertising today is no longer a mere tool of selling. it is a business, an inspired process, a social phenomenon, and a fundamental ingredient of an economy system. The employment of advertising to promote the merchandise to its users isn't new phenomena. Different historical records inform us that it absolutely was in use since the olden days. To be effective, advertising must have an appeal, attract attention, command interest, inspire conviction and must provoke interest (Frank, 2005). In the same vein, Okeji (2008) as cited in Jalang'o (2015) posited that a good advert message should not be boring rather it should reflect the lifecycle of the product.

In the marketplace, consumers often face situations of choosing from several options (Dhar, 1999). Brand preference represents consumer dispositions to favor a particular brand (Overby

and Lee, 2006). It refers to the behavioral tendencies reflecting the extent to which consumers' favors one brand over another (Hellie, 2003). Consumer Brand preference is close to reality in terms of reflecting consumer evaluation of brands. Purchasing decisions are the behavioral outcome that precedes differentiation between several alternative is the purchasing decision; a subsequent outcome of consumer preferences (Dhar, 1999). Preference facilitates consumers' choice by enhancing their intentions towards the favored brand. Actual obtaining behavior is maybe getting to compare to eagerly; the instrument of purposeful arrangement gives prove of determined customer preference (Van Kerckhove, 2012).

1.2. Company Background

GM Furniture S.C may be a large modernized office and household furniture manufacturer in Ethiopia with a history of quite 25 years. Its brand GM has been unique and reputed in the industry for pioneering, quality manufacturing as well as excellent in sale and after sale service.

The company is a large office and household furniture manufacturing enterprise integrating design, manufacturing and marketing of modern furniture. GM Furniture has advanced timber and metallic furnishings manufacturing lines with machines imported from Europe.

The company was founded in 1991 and has been serving for more than 25 years. The brand GM has been unique and reputed in the industry for its fair, creative and sustainable business approach. The head office is found in Alemgena. The factories use state of the art machines that have huge capacity, and our products in the near future will have a quality that match European standard and will compete with imported products with their quality and price. GM's factories are believed to be the best in the industry having the capacity to produce in mass with precision and high speed.

GM is currently implementing whole sale, door to door and project strategy by using Radio, Tv, Intermate and newspapers as an advertisement tool.

GM thrives to help people live better lives through the concept "Live Simple", by providing quality furniture at the most affordable price possible, so that as much people as possible could afford to own them.

1.3. Statement of the problem

According to Vivekananthan (2010), marketers' main objectives have gotten new consumers and retaining the prevailing ones to extend their market share and sales volume. The value of getting new customers is five times greater than the value of retaining this customer (Reicheld & Sasser, 1990). To do so, marketers are spending huge amount of cash, energy, and time for advertising their products, services and concepts.

Advertisement is basically a chief aspect in creating the buying behavior and also the brand preference. However large numbers of obstacles may detain ad's paraphernalia on selection of brand name and buying behavior of consumer (Lane Keller, 1987). Advertisement plays awfully important role to boost any entity performance because it's a proven tool for the getting the attraction of consumers. Advertisement may make an enterprise the maximum amount flourish because it may appear on global level.

In brand preference, advertising plays a major role. Nearly everyone within the nowadays is influenced to a degree by advertising. Organizations in both public and personal sectors have learned that the fallibleness to speak effectively and efficiently with their target audiences is extremely important to their success. Consumer do have different alternatives to create an appeal one brand from the selection, hence, knowing which advertising methods can really catch consumers' preference and influence their buying decision is extremely important to business advertisers' marketers, manufacturers, and suppliers. When competition is keen that the consumers are faced with brand choice within the market, it becomes imperative for the manufacturers and marketers to grasp the key factors which can attract the attention of buyers to their own brand, these then form the premise for marketing planning and action (Adeolu, 2005).

Measuring the effectiveness of advertising has turn out to be a hot problem for most companies, particularly in the tight economic environment. That makes pinnacle management at many businesses asking their marketing managers, "How will we understand that we're spending the right amount on advertising and the return on competent of our promoting investment?" (kotler & Armstrong, 2013)."

Marketers do advertising soon tell the provision of the merchandise, to steer that their product is of high quality, fair price, sturdy etc. and to cue concerning existing product. Advertising plays a really important role in today's competitive world by that organizations communicate with their

customers. If advertising doesn't produce any positive amendment in consumers' complete preference, all the resources like cash, time and efforts spent on advertising can get vainly.

Various previous studies focused on different factors that affect consumers brand preference. For instance, Yang et al. (2007) used one factor which is social reference group and a few others used two factors like Singh et al. (2012) used that celebrity endorsement and type of advertising media, Adeole (2005) used that types of advertising media and Age of consumers, as the two factors for the study purpose. Furthermore, Vivekananthan (2010) used those three factors like information, communication, and comprehension. Whereas, Tendon (2011) used that four factors such as source of awareness (advertising& sales promotion), Age, Gender, and Education. Gezachew (2012) also used that 4 elements such as aspects of advertisement, contents of advertising message, kinds of advertising media and reference crew influence.

Furniture companies have played a role in the Ethiopian economic growth. They generate revenue to the government through taxes; create employment to the locals in the product manufacturing, and distribution to the showrooms. The furniture companies significantly growing in Ethiopia. The effect of this has been a reduction in market share, declining profitability and stiff competition. As a result, companies were forced to craft strategies in order to sustain or grow their market share, expand to new territories or markets.

Companies that manufacture locally face a challenge in using advertisements that could successfully acquire the consumers buying decision. Investigating how persuasion techniques are used in advertising to trigger consumers buying decision is the underline motives of the researcher. Thus, the purpose of this research is to analyze the effect of advertising (source factor, message factors and channel factors) on the consumer buying preference in the case of GM furniture.

1.4. Research Question

The focus of the study is to investigate answers to the following basic research questions.

1. To what extent do the source factors influence consumers' buying preference of GM furniture?
2. How do message factors influence consumers' buying preference of GM furniture?
3. How do channel factors influence consumer buying preference of GM furniture?

1.5. Research Objective

This study has general and specific objectives.

1.5.1 General Objectives of the Study

The general objective of this study is to examine the effects of advertising on consumer buying preference of GM furniture in Addis Ababa.

1.5.2. Specific Objective of the Study

The specific objectives of this study are: -

1. To examine the effects of source factors on influencing consumers' buying preference in Addis Ababa.
2. To investigate the effect of message factors on consumers' buying preference in Addis Ababa.
3. To determine the effect of channel factors on consumers' buying preference in Addis Ababa.

1.6. Scope of the Study

1.6.1. Theoretical scope

Even though there are a number of factors that affect brand preference of customer's, advertising also affect consumers in different ways. However, this study has focused on the effect of advertising on consumers buying behavior specifically on the communication factors. Namely the source factors, the message factors and the channel factors on the consumers' buying preference of GM furniture customers.

1.6.2. Geographical scope

Geographically, this study has focused on surveying showrooms that are owned by GM furniture in Addis Ababa. There are five showrooms that are located in Bole Olympia, Beklobet, Alemgena, Kera and Gurd-Shola. The research targets consumers who will visit the aforementioned showrooms at the time of the data collection.

1.6.3. Methodological scope

This research is explanatory by nature. It was used quantitative approach. In this research primary sources of data were used and to achieve the objective of the study, well designed structured questionnaire was distributed to the study respondents from customers of GM furniture which was selected in the basis of convenience sampling.

1.7. Significance of the Study

The expected contributions of the study are the following;

- This study benefits the firm to know the effect of its advertisement on brand preference of its customers.
- This research paper helps the company to improve their advertisement and to select the most effective communication factors so that they can build up positive effect on brand awareness and preferable brand.
- The findings of the study assist future researches to obtain additional pieces of information, which were unavailable in previous studies. In addition, researchers who may be interested in conducting similar studies would find this paper useful as it would serve as a frame of reference.

1.8. Definition of terms

Advertising-it is conventionally regarded as one element of the promotional mix, a management tool defined by its explicitly promotional, mediated and paid for character and differentiated from other communication disciplines such as public relations, personal selling, corporate communication, sales promotion (Hackely,2005).

Customer buying behavior: -is the result of the attitudes, preferences, intentions and decisions made by the consumers in a market place before buying a product (Neti, 2011).

1.9. Limitation of the study

One of the major limitations of this study is it did not incorporate the views from the advertiser side; it includes only the views of consumers of furniture products.

Besides the research is limited in Addis Ababa city and its residents also it focuses only in furniture factory and does not include any other industry which would increase the generalize ability of the research.

1.10. Organization of the study

This research has five chapters. Chapter one includes background of the study, statement of the problem, research questions, objectives of the study, significance of the study, scope of the study, and limitation of the study. Chapter two covers literatures which are relevant on the subject matter under study. Under chapter three, the methodology part of the study described in detail. The findings of the study presented, analyzed and discussed in chapter four. Finally, in chapter five summary, conclusions, and recommendations disclose based on the study findings.

CHAPTER TWO

REVIEW OF RELATED LITRATURE

This chapter consists of three sections. The first part is theoretical review which focuses on related concepts and theories of the study. Review of related journals and articles about the research topic were presented in the second section. At the end, conceptual framework of the study as well as the hypothesis was presented.

2.1. Theoretical Review

2.1.1. Definition and concept of Advertisement

To achieve the organizational objective companies' sales product and service in the market. To increase their sale or profit, companies identify group of prospective customers the so-called target market and then develop marketing strategy in order to appeal to them. Often the most important decision a company makes it how it should inform prospective customer about its product and service and the company does this through advertising which is basically persuasive communication that motivates people to buy whatever an organization offers. Advertising and promotion are an integral part of or social and economic system. In our complex society advertising, which is basically persuasive communication that motivates people to buy whatever an organization offers. Advertising and promotion are an integral part of our social and economic system. In our complex society advertising as involved in to a vital communication system for both consumer and businesses. The ability of advertising and other audiences has given them a major role on advertising and promotion to small retailers increasingly rely on advertising and other form of promotion for information they can use in making purchase decision. George E, Belch and Michael A, (2003)

Advertising is defined as any paid from of non-personal communication about an organization, product, price, service or idea by an identified sponsor. The paid aspect of this definition reflects the very fact that the space or time for an advertising message generally must be bought. An occasional exception to this is the public service announcement, to the advertising space, and time is denoted by media. The non-personal means advertising involves mass media (example TV, radio, magazines, newspaper) which will transmit a message to large group of people, often at an equivalent time. The non-personal nature of advertising skill there may be usually no

The Effect of Advertising on Consumers Buying Preference: The Case of GM Furniture

opportunity for immediately feedback from the message recipient without indirect response advertising. Therefore, before the message is sent the advertiser must consider how to the audience will interpret and response to it, advertising because of its pervasiveness. It is also a very important promotional tool, particularly for companies who are a product and services are at mass consumer markets (Kotler 1993).

According to George E. Belch and Michel A, there are several reasons why advertising is such an important part of many marketers' promotional mix.

First, can be Avery cost effective method for communication with large audiences advertising can be used to create brand image and symbolic appeals for a company or brand, a very create manufacturer picture and symbolic appeals for an employer of brand, a very necessary capability for company's selling product and offerings that difficult to differentiate and useful attributes.

Another gain of marketing is its ability to strike a response chord with customer when differentiation across other issue of the advertising combine thing is tough to achieve famous advertising marketing campaign attracts client attention and can help generate income. The popular campaign can also sometimes be leverage in to successful integrated marketing communication program. The nature and purpose of advertising's different form one industry form other often very, as do advertising's role and function in the marketing program. Advertising may seek to generate immediate response of action from the consumer. Another may want to develop awareness or a positive image for its product of services over longer periods. Marketer advertises to the end function in the marketing program. Advertising may seek to generate immediate response of action from the consumer. Another may want to develop awareness or a positive image for its product of services over longer periods. Marketer advertises to the consumer market with national and retail or local advertising; which may stimulate primary of selective demand. (George E, Belch and Michael e, 2003).

Advertising is a marketing function whose aim is to sell goods and service to consumer. These goods and services are manufactures and presented to satisfy human wants. Thus, advertising and marketing is one out of the more than a few advertising techniques adopted by using company to attain their marketing goals (Wright and Warner, 1966; Bovee and Arens, 1992; Shimp, 2000). According to Wright J.S. (1978) the basic reason for employing the techniques of advertising was the same in ancient and medieval time as it now. For advertising to become abluton, it has to be recognizing, and its adaptability communicated to potential buyers. This is

made possible through advertising agent. The first agents were brokers of space in newspaper and magazines who contracted with publishers for advertising space at bulk rates and resold the space at high price. As advertising become more sophisticated, the market increased in size while advertising budget grows in size and other services added. Advertising today has become the life wire and an indispensable tool in the marketing of goods and services.

Advertising is a powerful tool used by companies to fulfill their promotional tasks. There are different views of advertising from different definitions of advertising. According to McCarthy, Advertising is any paid form of non-personal presentation of ideas, goods and services by an identified sponsor. It is the main form of mass selling. It is also a profession, a body of experts involved in the conceptualization, planning, creating, and placing of advertisement in the media.

Gillian Dyer says that in its simplest sense, the word advertising means drawing attention to something or notifying or informing somebody or something. Bovee and Arens gave the following as a working definition of advertising. Advertising is the non-personal verbal exchange of data usually paid for and commonly recognized with sponsors thru a range of media.

Longman (2000) says advertising is an act of telling peoples publicly a few product or service so as to influence them to shop for it. Alonge (2001) feels that marketing is frequently described as any paid kind of non-personal verbal exchange which is directed to the consumers or goal audiences thru more than a few media so as to stop and promote product, provider and media. HarriTuomola says in one his type that marketing should be purchased by using an identified sponsor and should be persuasive to have an effect on customers buying behavior. Tuflinger (1996) says marketing is the non-personal verbal exchange of data usually paid for and generally persuasive in nature, about product, services or ideas by an identified sponsor via the range of media.

2.1.2. Planning of an advertising campaign

2.1.2.1. Organization of an advertising campaign

Advertising marketing campaign is the set of promotional activities, developed in accordance with the advertising and marketing software and aimed at consumers, representing fantastic market segments, in order to motive their response and discover an answer for the strategic or tactical targets of a company. (Evans & Berman, 1995). Specification of separate activities for the duration of the campaigns depends specifically on the marketing strategy, which can be expressed, for example, by way of capturing the overall market, its share or segment;

introduction into a new niche; retention of beforehand captured market positions. Marketing infrastructure, human and technical resources, hooked up level of conversation and records provide are all well worth considering.

Manufacturer can matter on the excessive efficiency of advertising marketing campaign only if: first they are prepared and carried out on the groundwork of preliminary studies, taking into account the dynamic nature of the market. Second, promotional merchandise is fairly created, memorable and accurate performing on a pre-selected client audience. Thirdly, a sufficiently extensive booklet is supplied through advertising potential that are most suitable for the task. Fourthly, the occasions in different places and at special stages of sales endeavor are coordinated. (Hopkins, 1999). Each advertising campaign consists of three main stages: preparatory, meridian and the final one. The preparatory stage is the most important one because others depend on it, as well as the success of an advertising campaign in general. The preparatory section includes planning of a marketing campaign. Planning considers the situation around the product on the market, and determines the price of advertising. After choosing the types and strategies of distribution and calculating the quantity of advertising, it is easy to calculate the value of purchased area or time for it. (Evans & Berman, 1995).

2.1.3. Major decision area of advertising

Philip Kotler (1991) has recognized major decision areas the place a manager focuses on problem in creating an advertising and marketing campaign these are:

2.1.3.1. Setting an objective

The advertising objective is a specific communication task to be accomplished with specific target audiences during a specific period of time. The process of setting objective is directly influenced by a series of other decisions in particular.

Those concerned with the nature of marketing mix and the segmentation, targeting and the positioning strategies adopted for the product brand or organization being advertising. advertising objectives thus needs to be set against the background of a clear understanding of the organization corporate, marketing and communication objectives, and typically reflect a series of constraints, including financial limitation as well as number of preconceived managerial notion and expectation of the contribution, advertising might be able to make the overall

marketing program. These objectives must be stated clearly, precisely and in quantifiable terms, so that there will be subsequently a company's business for measuring and evaluating performances. (Philip Kotler 1991).

Advertising objective can be classified by primary purposes: the aim of advertisement is whether to;

- **Informative advertisement**

Advertising is one of its aspects is simply a means of transmitting information. Most of the time advertisement focuses on giving information about features of a product, when the product is in the introductory stage of the product life cycle. In addition to this its primary objective is to build primary demand.

- **Persuasive advertisement**

This is highly demand when the product enters in to the maturity stage of the product life cycle. The maturity stage of a product is time of profit for most companies and the target phase in the product life cycle (Kotler 1991).

2.1.3.2. Creating the advertising messages

Any type of advertising message is expected to address the advertising. Meaning advertising should first attract attention and then hold interest long enough to stimulate desire for the product and finally advertising must move the prospect to some kind of action. The most common approaches to attract attention is to present the product or service in unexpected manner maintaining interest after the audience recognizes that the communication or advertising is a challenge for advertiser. In order to attract the attention of the audiences towards the product or services, advertiser should make advertising by interesting by using humors, attractive spokesperson and the like and the desire for the product or service spokesperson and the like and the desire for the product or service is established by effectively presenting the benefit of the product.

According to Kotler (1991) message creation involves three steps these are:

- **Messages Generations**

In principle the product message should be decided as part of developing the product. The message of the product will express the major benefit offered by the product.

In order to generate the message, these people who are responsible for the creation of the messages may use methods like talking to a customer, dealer or to a competitor.

- **Message evaluations**

Messages are usually evaluated or rated based on desirability, exclusiveness and believability. The message must first say something desirable about the product and it should also be exclusive about the product that does not apply to every brand in the product category.

- **Message execution**

The execution of message depends not only on what is said but also on how it is said. At this stop these creative people should decide about the style and format for the execution of the message and to make sure that it does not over step social and legal norms.

2.1.3.3. Developing the media plan

In selecting the media that are to be used to carry the advertising message, the advertising planner is concerned with identifying those media that will maximizes the chance of the target audience being exposed to the advertisement and that will do so in most cost-effective manner. A number of factor need to be taken into account in this process, objective of advertising, audience, coverage, requirement of the message, time and location of buying decision media cost also the way in which a competitor spending pattern might influence the way in which the campaign is perceived, but the most important issue is finding a balance between efficiency and effectiveness. (Kotler 1991).

2.1.3.4. Evaluating advertising effectiveness

The effectiveness of advertising can be measured from two different aspects. One is from its communication effect and the other is from its sales effects. In measuring the communication effects of advertising, the most particular approach is to view advertising as a force that will

move people up a series of steps from the stage of just becoming aware of the product in question to the final stage of actual purchase.

In measuring the sales effect of advertising, advertisers face some difficulties. This is because sales is not only influenced by advertising.

The marketing communication process entails the development of a specific message aimed at a specific target audience and sent through a specific channel, such as a magazine advertisement or a television commercial (Ouwensloot and Duncan, 2008). The three major components of the communication process are the source, message and channel factor (Belch and Belch (2007).

2.1.3.4.1. The Source Factor

The source or sender of the message is the organization that initiates the sharing of information about a brand (Ouwensloot & Duncan, 2008). The aim is that the receiver will ultimately interpret the information in the message as intended by the sender. It is essential to use symbols and verbal cues that are relevant and identifiable to the receiver (Belch and Belch, 2007). The source is that the person involved in communicating a marketing message, either directly or indirectly. A right away source could be a spokesperson who delivers a message and/or demonstrates a product or service. An indirect source is a model who does not actually deliver a message but draws attention to and/or enhances the appearance of the advertising (Ouwensloot & Duncan, 2008).

It is crucial that the sender of the message be deemed believable. Belch and Belch (2007) identified three attributes of source effectiveness, namely credibility, power and attractiveness.

- **Credibility**

Credibility is the extent to which the recipient sees the source as having applicable knowledge, talent or pride and trusts the source to supply unbiased, objective information (Shimp, 2007). Expertise and trustworthiness are two important dimensions to credibility. Expertise refers to the perceived knowledge, journey or competencies possessed by using a source as they relate to the communications topic whereas trustworthiness refers to the perceived honesty, integrity, and believability of a source (Shimp and Andrews, 2013). The use of expertise and trustworthiness helps in creating a positive attitude towards the message and hence leaves a positive influence on the receiver (Belch and Belch, 2007).

Credibility or believability is an important source factor in persuasion (Shimp and Andrews, 2013). Highly credible sources achieve greater attitudinal change among consumers than those having less credibility. When receivers perceive a source as credible, the consumer would be expected to be persuaded by the message to a greater degree than if someone else that the consumer perceives as it less credible source had spoken the same words (Kotler and Keller, 2012). In other words, using celebrities, experts in the given domain or corporate leaders as the spokesperson generally helps in giving credibility to the message being delivered.

- **Attractiveness**

Source attractiveness relates to the sources perceived social value. This quality can originate from the person's physical appearance, social status personality, or his or her similarity to the receiver. A persuasive source has wonderful value and endorsement offers are continuous in the works. A physically pleasing supply has a tendency to facilitate mind-set change. His or her extent of attractiveness puts forth modest effects on consumers purchase intentions. Beauty can also work as a source of information. An attractive representative or spokesperson is an effective source when the merchandise is related to attractiveness (Pelsmacker, 2007).

Source attractiveness encompasses similarity, familiarity, and likability. Similarity is a supposed resemblance between the supply and the receiver of the message, whilst familiarity refers to knowledge of the supply thru exposure. Likability is affection for the source as a result of physical appearance, behavior, or other personal traits (Shimp, 2007).

- **Power**

The capability of the supply to provide rewards or punishments for the receiver is known as source power. As a result of this power, the source may be able to induce another person to respond to the request (Belch and Belch, 2007). The source is seen to have power over receiver when he or she can actually administer rewards and punishments to the receiver. Through this power the source is able to persuade the receiver of the advertising message to respond to the request or position that he/she is advocating (Belch & Belch 2009) cited on (Kivinen, 2012).

2.1.3.4.2. The Message Factor

Message creativity can be defined as the production of something original and valuable. Creativity involves arising with new and fresh ideas or plans. It is characterized by the use of the imagination and expression. Some scholars view creativity as a natural gift while others view it as a talent which will be learnt and developed. However, creativity seems to be a combination of both. Research in psychology reveals that creativity arises through the confluence of data, creativity thinking skills and motivation (Adams, 2005). Knowledge here refers to all what a person knows. Creative thinking skills refer to how flexible and imaginatively people approach problems while motivation refers to the passion and interest in the work itself (Terkan, 2014).

The aim of the encoding process is to develop a message that relays the knowledge that the sender wants to supply to the audience. According to McLean (2005), message is the stimulus or meaning produced by the source for the receiver or audience.

2.1.3.4.3. The Channel Factor

The method wants to transport the message from the sender to the receiver is named the message channel, and is additionally mentioned because the medium. (Belch and Belch 2007).

The communication must select channel of communication. There are two broad type of communication channel;

- Personal communication: in personal communication two or more people communicate directly with each other. They might communicate face-to –face, over telephone, or even though the mail. Personal communication channels are effective because they permit for private addressing and feedback. (Kotler and Armstrong 1996).
- Non- personal communication: non-personal communication channels are media that carry messages without personal contact or feedback. they include
 - Print media: newspapers, magazines and direct mail

- Broadcast media: radio, television
- Display media: billboards, signs, posters

Non-personal communication affects buyers directly. In addition, using mass media often buyers indirectly by choosing more personal communications. Communication flow from television, magazines and other mass media to opinion leaders

There are other factors, such as the product quality, features, price, competitor's action and the like in developing effective steps (Kotler and Armstrong 1996).

2.1.4. Consumer's Brand preferences

Brand preference is that the propensity of behavioral trends by reflecting customer's predilection toward a brand. Moreover, the brand preference is that the biasness of the behavior of a consumer concerning buying product of a particular brand. Furthermore, consistent with Markus and Zajonc (1982) individuals' preferences show the behavioral tendencies. If the emotions of a customer match to a particular brand offering, then he will show the more preference toward that brand. In the same way, Ayanwale., (2005) argued that when there are large numbers of competitors are being present in the market and are offering a variety of things and therefore the customer have different brand choices then the producers should identify the various factors that cause customer's alliance.

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

People prefer TV commercials and thus business enterprises must stretch proper consideration to draw in the customer for brand loyalty and its preference. Sharma and Bishnoi, (2009), examined that the influence of a billboard differently attracts to rural and concrete teenagers. Rural teenagers are substantially influenced by the advertisement, because the urban teenagers solely pick these merchandise commercials from which they think about extra fee than their anticipation.

2.1.5. Advertisement and Brand Preferences

People select and like the brands on the idea advertising and therefore the major causes of their preferences are that the strong positively campaign of advertising (Ayanwale, Alimi, & Ayanbimipe, 2005). One of the previous researches also identified that advertisement has full-size and tremendous relationship with client brand preferences (Karadenöz, 1987).

Furthermore, Loewenstein et al. (2011) examined that advertisers attempt to find the ways in which will cause achieve the incremental consumer's commitment tendency with brands. On the opposite hand, to positively shape the brand preference is basically a challenging. Due to changing the life style of people developments of advertising and marketing should be updated, but there are a range of challenges and a variety of developments are prevailing, therefore the stress on manufacturer administration and on advertising are increasing (Thomas, 2011). Moreover, the various sort of responses to advertisement for the new products and well-known brand: a private having a positive emotional perspective led to a more progressive attitude in the direction of advertisement, the brand and his intention are going to be affirmative to get the merchandise of well-known brands than the new one. Similarly, a private who is belonging to non-emotional context are going to be run as more encouraging responses toward the new brand than intended for well-known brand (Pelsmacker & Janssens, 2005).

2.1.6. AIDA Model

AIDA was created by Strong in 1925 and could be a behavioral model that has as purpose to form sure that commercial raises awareness, stimulate interest, and leads the customer to desire and eventually action (Hackley, 2005). The demonstration is seen as a profoundly influential and is charged to frequently unknowingly influence our considering (Butterfield, 1997). With the AIDA show Solid recommends that for a commercial to be successful it's to be one that: Commands Consideration, closes up in Intrigued inside the item, Desire to possess or use the

The Effect of Advertising on Consumers Buying Preference: The Case of GM Furniture

merchandise then finally ends up in Action (Mackay, 2005). For the advertisement to contribute to victory it's to be outlined so the client passes through of these four stages, with all being similarly critical. The model implies that advertising should inject memorable and believable messages which will make costumers triggered to act in a very certain way (Brierley, 2002).

- **Attention**

A marketer must be able to make media of information to attract consumers' attention. A marketer can make a statement that shows the interest of people, make powerful words or picture that is able to make people notice the and understand the message conveyed. (Kotler & Armstrong 2001) explains that attention must contain these three: (1) Meaningful, it shows the benefits of the product or it is attractive to the consumers; (2) Believable, the consumers believe that the product will provide benefit as it is mentioned in the product information, (3) Distinctive, the message conveyed in the advertisement is better than the competitor.

- **Interest**

Step of marketer after he is able to make media of information that is attractive to the consumers, a marketer has to think a media of information, which conveyed meaning of the product to attract the consumers. Most bad media of information is careless in doing this step, yet in this step the target or consumers is willing to provide their time to read the message in detail. Building the readers' interest by giving solution or hope to a certain problem is a way to get consumers' attention. The best way to build the readers' awareness is by explaining the feature and benefit to improve their interest. (Assael 2002) states the interest as the emergence of purchase interest of consumers to the object, which is introduced by the marketer.

- **Desire**

It is the third step of hierarchy of AIDA model that deals with the aspiration of target customers to buy a product or service. From advertising view point, desire is claimed to be the extreme level of wanting a product. Creating desire is that the precedence of advertisers, where they explain the features and benefits of their products that what proportion value you've got here (Richardson, 2013). At this level, advertisers attempt to give greater exposure of a product to the purchasers (Rowley, 1998).

- **Action**

This step is considered the central step; a marketer must direct and act to persuade consumers to purchase a product. Action explains what step needs to be done by a marketer in desiring to read or targeting consumers to purchase a product. Directing readers and consumers requires an action from a marketer to explain the steps and inform the price of a certain product or service. Action is also the last effort to influence the consumers' candidate to purchase as soon as possible or as a part of the process by choosing the right words so the consumers' candidate will respond accordingly (this is the most difficult step). To direct the consumers, marketer must use the right command, so the consumers' candidate will act (purchase).

The model may additionally be viewed by way of many as the strongest marketing theory, but has along with the others been criticized by way of special sections of the advertising and marketing community. They claim that there is no evidence that customers behave in this rational, linear way. They suggest that mass media marketing in well-known fail to stimulate want or action. The mannequin ignores the function of context, environment and mediation in influencing the effectiveness of the advertisement. The advertising world has because of this lately turned into focus more on the two main behavioral responses: awareness and interest. They mean that all four phases are not equally important and to be successful the advertiser has to look further into the behavioral phases (Brierley, 2002).

Another criticism that the model has met is that it represents solely high-involvement purchases. According to AIDA clients usually goes thru this rational system when buying products, however many says that purchases more regularly are spontaneous (Hackley,

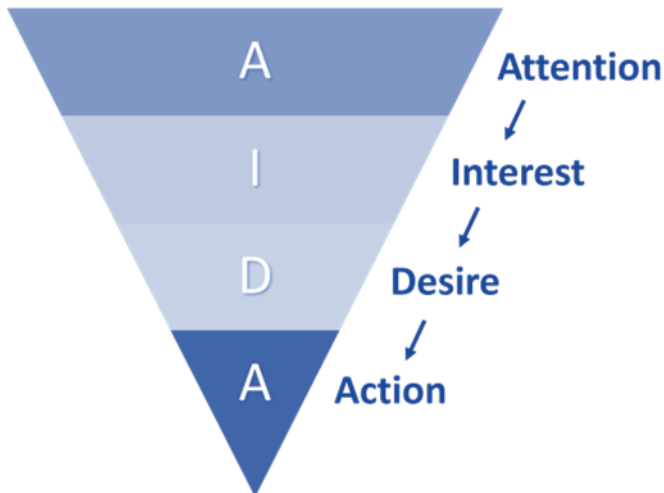


Figure 2.1 AIDA Model

Source- (Mackay, 2005)

2.1.7. DAGMAR Model

DAGMAR is an advertising mannequin proposed by Russell Colley in 1961. Russell Colley advocated that effective advertising seeks to speak instead of to sell. Advertisers find out whether their message conveyed sufficient data and grasp of a product to their buyers and additionally its respective advantages from clear objectives.

Russell Colley created DAGMAR when he organized a report for the Association of National Advertisers. This report was entitled Defining Advertising Goals for Measured Advertising Results, shortened right down to DAGMAR, and thereof the name, (Belch & Belch, 1995) and was later in 1969 published as a book with the same title (Mackay, 2005). DAGMAR focuses on the levels of understanding that a customer must have for the organization and on how to measure the results of an advertising campaign (Belch & Belch, 1995).

The main conclusions on the DAGMAR theory were expressed within the following quotation: All commercial communications that weigh down the last word objective of a purchase must carry an opportunity through four levels of understanding.

1. The prospect must first remember of the existence of a brand or organization
2. He must have a comprehension of what the merchandise is and what it'll do for him.
3. He must reach a mental suspicion or conviction to shop for the merchandise.
4. Finally he must stir himself to action. (Mackay, 2005)

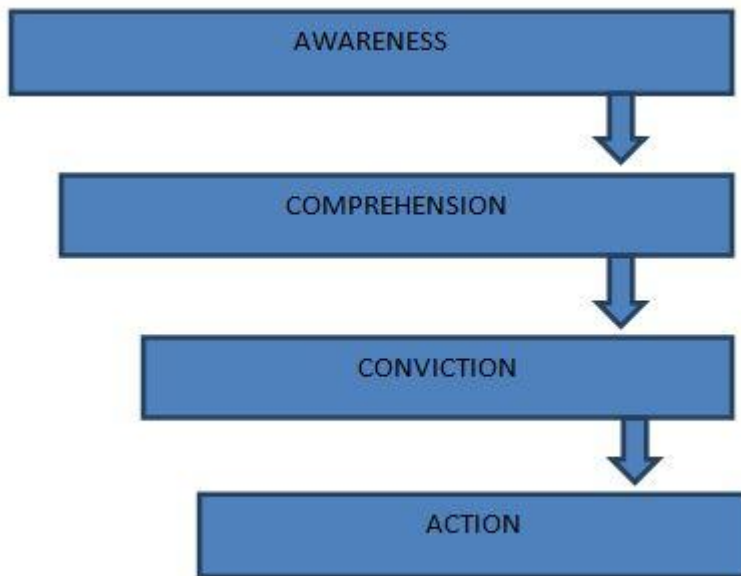


Figure 2.2 DAGMAR Model

Source: Russell Colley (1961)

Criticism made towards the DAGMAR approach is that it focuses an excessive amount of on strategies. Many creative people within advertising are trying to find the good unique concept may result during a successful campaign and feels that the DAGMAR approach is just too concerned with quantitative measurements on the campaign (Belch & Belch, 1995).

2.2. Empirical Literature review

Strout R (2008) in his case cloth “Pepsi and Madonna” examines the use of leisure personalities in advertising business merchandise thru the instance of Pepsi's use of Madonna. It illustrates how groups attempt to tie the success of the artist to their product. The paper demonstrates the want for clear assessment of the celebrity endorser, their public image, and if the relationship between the artist and the product applies to the marketing rules. When Pepsi picked Madonna, the choice grew to become out to be too hot to handle. The \$5 million marketing campaign providing the extravagant

vocalist had to be scrapped due to the fact of its hyperlinks to Madonna's surprisingly controversial "Like a Prayer" track video."

Tendon (2011) assessed that the "Impact of advertising on the brand preference of tea." variables of the study are advertising, sales promotion, they are source of awareness and income, age, gender, and education are also independent variables. The study revealed with the perspective of source of awareness of tea brand, advertising accounts for 72.4% of the respondents while 2.2% respondents feel that sales promotion schemes create awareness of the brands. In the side of parameters for the parameters of tea brand, 63.8% of respondents considered quality of the product (tea) as the most important parameter and only 12.9% of respondents considered advertising as the most important reason for the preference of tea. Again, the study revealed that age, income, and education have great impact on the brand preference of tea whereas gender has no impact on the brand preference of consumers.

H2: There is a positive and significant relationship between source factors and brand preference.

Lalitha Balakrishnan and C. Shalini Kumar: Effect of Celebrity Based Advertisements on the Purchase Attitude of Consumers towards Durable Products (A study with reference to the city of Chennai Celebrity Endorsements act as a credible means of spending money. This is because this is a world of products for which the value a consumer obtains from purchasing any given variety. This could be for reasons of social standing-People want to wear the "right" clothes, drink the "right" beverages and use the "right" fragrances. Specifically a consumer that observes messages for two different firms products, one products message containing a celebrity endorsed and the other not, believes the celebrity endorsed product will have more purchases and so be of higher value.(Clark & Horstman, 2003) Celebrity endorsement is more likely to be observed for those products having a high price-production cost margin and on a large customer base. In short, celebrity endorsements are more typical for nationally marketed products then for local or niche market products and for products such as running shoes, soft drinks and the like for which the price cost margins are apparently large.

Michael (2012) had performed about on the Impact of Media on Consumers' Brand Preference" A Study on Carbonated Beverage Market with regard to Coca-Cola. The finding shows that brand preference exists within the carbonated beverage Market and therefore the media efforts affect consumer preferences and their brand choice the lookup carried out by way of taking three

predominant variables, particularly Information, communication, and comprehension. This research published that the variable data has excessive impact in commercial in buyer's manufacturer preference. Here the variable information is measured by three dimensions; they're attractiveness, attention, and awareness. These three dimensions' account for about 56% of respondents that are extraordinarily influenced by using facts in advertisement (Vivekananthan, 2010).

H3: There is positive and significant relationship between message factors and brand preference.

Gezachew (2012) assessed the influence of advertisement on consumer's brand preference with reference to electronics products in Hawassa City. In the study, he used four variables, namely, advertising media, features of advertisement, contents of advertising messages and reference group. The findings of the study revealed that from advertising media perspective television advertising is the most preferred by consumers to have awareness about the product and chose alternative brand. 72.5% of respondents expressed that television advertising is most preferable. Mother Tongue language is also the most preferable language by audiences. To bring advertising message experts, celebrities, and frequent man have been desired with the aid of consumers to get reliable facts of the brand.

Mwangi Francis Kihato (2013) evaluating the effect of promotional strategies on competitive advantage-A study on disposable baby diapers distributors in Nairobi, Kenya; the finding revealed that radio advertising affects the competitiveness of distributors moderately. Local radio attracts an audience that wants to keep up with local news, events and personalities. The study agreed that billboard advertising affect the competitiveness of baby diapers distributors because billboard advertising grabs the attention of potential customers like no other form of advertising can. Creative, colorful, and eye-catching advertisements have more impact on brand awareness and strong name recognition.

H3: There is positive and significant relationship between Channel factors and brand preference.

2.3. Conceptual Framework

Based on the Empirical review, this research tries to investigate advertising variables such as Message factor, source factor and media factor which have a significant effect on consumers' beer brand preference.

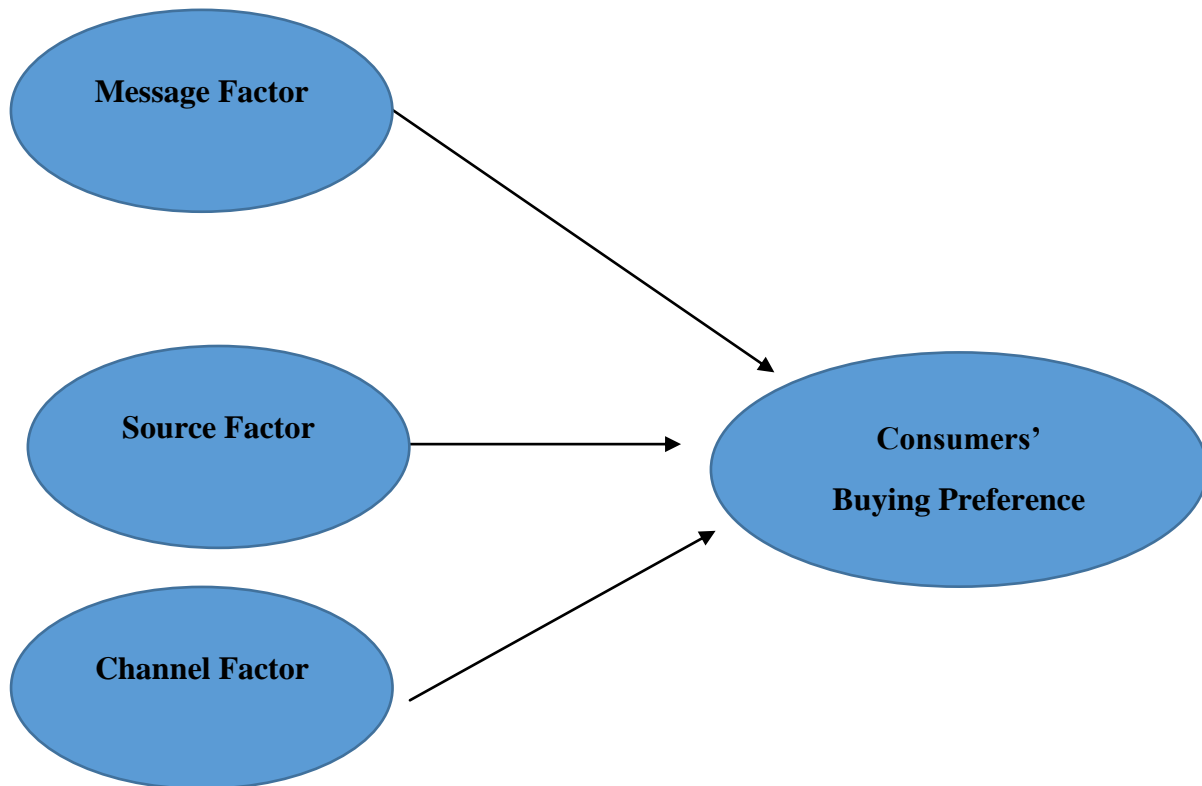


Figure 2.3 Conceptual framework of the Research

Source: Adopted from (Belch and Belch (2007)) with a slight modification.

CHAPTER THREE

RESEARCH METHODOLOGY

In this chapter, issues such as description of the study area, research approach, research design, target population, sampling technique, Sample size determination, data collection procedure, data analysis, reliability and validity and ethical consideration discussed.

3.1. Research Design

Research style represents the key methodology driving the study, that are distinctive and specific analysis approaches that are best suited to answer the analysis question (Comack, 1996). The purpose of the research design, as stated by Burns and Grove (2001), is to achieve greater control of the study in examining the research problem.

According to Rahi (2017), research design approach classified as exploratory, descriptive and explanatory or causal research. Exploratory researches undertake to explore an issue or a topic and to look for new insights or to reach a greater understanding of an issue. On the other hand, descriptive research describes some situation and are usually structured as well as specifically designed to measure the characteristics described in the research question. According to Vogt (1999), as cited by Carrie (2007) when the focus is on cause-effect relationships, the study will be causal or explanatory research that explains which causes produce which effects. This type of research helps to get fresh insight into a situation in order to build, elaborate, extend or test a theory.

Therefore, in this research explanatory research is used. Explanatory as the research were explain the relationship between the effects of advertising on consumers' buying preference.

3.2. Research Approach

This study used quantitative approach which identifies any causal link between factors or variables, and it allows examining the effect of advertising on consumer buying preference. A quantitative approach is one during which the investigator primarily use post positivist claim for developing knowledge (i.e. cause and effect thinking, reduction of specific variables and question use of measurement and observation and therefore the of theories, employs strategies, of inquiry like experiments and survey and collects knowledge on preset instruments that yield applied mathematics knowledge (Cresswell 2003).

3.3 Population and Sample

3.3.1 Population

Target population is that the entire group of individuals or objects to which the researcher wishes to generalize the study findings. It is the complete set of units of analysis that are under investigation, while element is the unit from which the necessary data is collected (Bhattacharjee, 2012). The target population of this research is all consumers of GM furniture located in Addis Ababa City Administration.

3.3.2 Sampling Technique

To determine the sampling technique of this study, non-probability sampling techniques was used due to the lack of access to have a list of the population being studied. In this sampling technique the chances or probability of each unit to be selected is not known or confirmed. Also, the technique does not allow the estimation of sampling errors, and may be subjected to a sampling bias (Rahi, 2017). From the types of non-probability sampling techniques, a convenience sampling was used in the research. This technique is also known as accidental or opportunity sampling where a sample is drawn from the part of the population that is close to hand, readily available, or convenient (Bhattacharjee, 2012). In this study, sample of respondents were gathered when consumers come across the GM furniture show room, which made it easy and convenient for the researcher to collect consumers' perspective.

3.3.3 Sample Size Determination

The ultimate sample size is typically a compromise between what's fascinating and what's possible. Cochran (1963) developed the formula to yield a representative sample for large and undefined population size like the current study:

$$N = \frac{(Z\text{-score})^2 \cdot \text{Std Dev}^2}{(\text{margin of error})^2}$$

Where: **Z-score** represents confidence level. The most common confidence intervals are 90% confident, 95% confident, and 99% confident (90%, Z-Score = 1.645; 95%, Z-Score = 1.96; 99%, Z-Score = 2.326).

Standard of Deviation — how much variance is expected in the responses? Since the researcher did not actually administered survey yet, the safe decision is to use .5 – this is the most forgiving number and ensures that the sample will be large enough.

Margin of Error (Confidence Interval, level of precision) — No sample will be perfect, so it is needed to decide how much error to allow.

The confidence interval determines how much higher or lower than the population mean to let the sample mean fall (Cochran, 1963).

Assuming a 95% confidence level, 0.5 standard deviation and a margin of error (confidence interval) of +/- 5%.

$$((1.96)^2 \times .5(.5)) / (.05)^2$$

$$(3.8416 \times .25) / .0025 = .9604 / .0025$$

$$384.16 = \mathbf{385}$$
 respondents are needed

So, a total of 385 respondents are taken selected to gather relevant data to complete the research work.

3.4 Data Sources and Types

The main source for this study was primary data source. Primary data was sourced through survey method. As the researcher intends to investigate the effect of advertisement on consumers buying preference, the primary data was collected from primary sources via questionnaires

3.4.1 Data Collection Instruments

Questionnaires were used as an instrument for this study. A questionnaire is a form which is prepared and distributed for the purpose of securing responses (Singh, 2006). Hence a self-administered questioner was prepared by both in Amharic and English language to facilitate the data gathering and reach out larger number of consumers. The first part of the questioner was designed with multiple choice questions to gather general knowledge about the respondents. The rest of the questioner was designed by a five point like hart scale which tells that how the respondents strongly disagree or agree with the statement stated. It will design in a way that is clear, brief and simple to understand to the respondents as well as covers the relevant aspects of the model used. The instrument is designed to examine the effects of advertisement on consumer preference of GM furniture.

3.5 Procedures of Data Collection

Marketing managers of GM furniture were contacted to get permission for administering the questionnaire. One sales person was assigned for this purpose and training was given to distribute and collect the questionnaires in an ethical manner.

3.6 Data Analysis Technique

The data was analyzed using both descriptive and inferential statistics. The data collected from questionnaires was systematically organized in a manner to facilitate the analysis. The data was analyzed using Statistical Package for Social Sciences (SPSS) and summarize and relate the variables that will collect from questionnaires. In addition, the data will classify, tabulated and summarized using descriptive measures such as mean, percentages and frequency distribution tables and presents in tabulations, cross tabulations, and graphs. In this study, regression and correlation analysis were applied to explain the effect of advertising on customer's preference.

3.7 Reliability and Validity

Test reliability and validity square measure two technical properties of a take a look at that indicate the standard and utility of the take a look at. According to Hair, (2010), reliability and validity, jointly called the “psychometric properties” of measurement scales, are the yardsticks against which the adequacy and accuracy of the measurement procedures are evaluated in scientific research.

3.7.1 Validity

Validity is concerned with whether the findings are really about what they appear to be about (Sounders, 2003). Validity defined as the extent to which data collection method or methods accurately measure what they were intended to measure (Sounders, 2003). Numbers of various steps were taken to make sure the validity of the study:

- Data collected from the reliable sources, from respondents who have experience in building construction project.
- Survey questions made based on literature review and frame of reference to ensure result validity.

An assessment of however well a collection of scale things matches with the relevant content domain of the construct that's attempting to live defines the validity of the content. In order to

ensure the content validity of this research, representative sample of respondents will take. Moreover, the appropriateness of the questions will verify by the advisor of this research.

3.7.2 Reliability

Reliability refers to the internal consistency exhibited by the manifest indicators of each construct used in the research. Barclay and his colleagues (1994) recommend that a measurement of the internal consistency of the construct Cronbach's alpha should be taken into consideration, with a minimum criterion of approximately 0.70 (Hair et al. 1998). To examine the reliability of this study Cronbach's alphas has been calculated for each variable by the researcher using SPSS accordingly, Cronbach's alpha value of > 0.70 indicates a considerably high reliability. Therefore, Cronbach's alpha value is > 0.70 indicate the higher degree of internal consistency in this study.

The overall reliability of the instruments was measured and the Cronbach's α was 0.825, which is above the acceptable value of 0.7. Based on the results presented in TABLE 1, it can be concluded that all the scales used in this research were reliable, and could thus be used to measure the variables under the study.

TABLE 1: Reliability analysis of variables (Survey result using SPSS 2020)

Measurement	Cronbach's Alpha	No of Items
Source factor	0.717	5
Message factor	0.717	7
Channel factor	0.707	6
Over all scale reliability	0.825	

3.8 Ethical Considerations

At the beginning, clear and accurate information about the research was given to the participants of the study and their voluntary participation was respected. The participants' identity was protected and all information obtained from the respondents were confidential and no one will have access to the identity of the respondents. Moreover, no information was modified or changed. Information was presented as collected and all the secondary data sources were appreciated in the reference section.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

This chapter deals with the demographic analysis of the respondents, the reliability of the data, the descriptive statistics of the variables, the correlation analysis, the assumption and hypothesis testing, the regression analysis, as well as the interpretation of results. Finally, discussion of results is presented in order to address the research objective. The data collected from respondents were analyzed and interpreted using SPSS version 21.

4.1. Descriptive Statistics

After the data has been coded and double-checked, the next step was calculating descriptive statistics. The purpose of descriptive statistics is to organize, summarize, describe and present data through numerical calculations, graphs or tables. According to (Nicholas, 2006), descriptive statistics only makes statements about the sample. The three main types of descriptive statistics are frequencies, measures of central tendency (also called averages), and measures of variability.

The number of samples for which a questionnaire was distributed for customers was 385 as mentioned in chapter 3. Out of these, a total of 363 (94.3%) questionnaires were returned. However, 29 questionnaires were found to be incomplete and inappropriately filled. Therefore, the analysis was conducted on 334 (86.8%) of the questionnaires.

The questionnaire used in this research consisted of two sections. The first section is related to the demographic characteristics of customers and was used to capture the general information. The second section consisted of 22 indicator questions headed by five constructs that were aimed to address the effect of advertising. The source factor, the message factor and the channel factor were the independent variables and the consumers' buying preference was the dependent variable.

4.1.1 Demographic Analysis of Respondents

In this sub-section, descriptive statistics is presented to characterize the sample in a way that makes the analysis more meaningful for readers. Demographic analysis is about the background information of respondents such as gender, age, education level and occupation.

TABLE 2: Demographic characteristic of respondents (Survey result using SPSS 2020)

Demographics	Category	Number	Percentage
Gender of Respondents	Male	133	39.8
	Female	201	60.2
	Total	334	100
Age of Respondents	18-30	57	17.1
	31-40	160	47.9
	41-50	102	30.5
	>50	15	4.5
	Total	334	100
Education Level of Respondents	Diploma	47	14.1
	1st degree	105	31.4
	2nd degree & above	182	54.5
	Total	334	100
Occupation of Respondents	Employee	201	60.2
	Self-employed	133	39.8
	Total	334	100
Media Exposure for GM Furniture Advertising	Broadcast media	48	14.4
	Broadcast media and Outdoor media	221	66.2
	Print media and Outdoor media	13	3.9
	Broadcast media, Print media and Outdoor media	52	15.6
	Total	334	100.0

The Effect of Advertising on Consumers Buying Preference: The Case of GM Furniture

As shown in TABLE 2, female respondents constituted the largest share of the gender composition representing 60.2% of the total respondents while 39.8% were male. In terms of age range, the largest number of respondents was in the age range between 31 and 40 years, which accounted for 47.5% of the respondents. The second largest numbers of respondents were in the age range between 41 and 50 years of age. The remaining 21.6% of respondents were either range between 18 and 30 years of age or above 50 years of age. Majority of the respondents that is, 54.5 % had a first degree or above. Concerning the occupation of respondents, the largest numbers of respondents were an employee, which was 60.2% of the total number, while 39.8% were self-employed.

Regarding the question asking which GM Furniture advertisement you saw, 66.2 % of them responded that they saw a GM Furniture advertisement through both a broadcast media (television, radio, internet, etc.) and an outdoor media (billboards, shop banners, wall hanging signs, etc.). Those who replied that they saw a GM Furniture advertisement through a broadcast media, an outdoor media and a print media (newspapers, magazines, brochures, etc.) constituted 15.6% of the total respondents. 14.4% of the respondents replied that they were informed about GM Furniture through broadcast media. The remaining 3.9% of the respondents gave their word that they came across a GM Furniture advertisement only through a Print media and Outdoor media

4.1.2 Descriptive Statistics of Variables

In this sub-section, descriptive statistics in the form of mean and standard deviation are presented to illustrate the level of agreement of the responses. Mean is the most common single number used to describe the average behavior of a data set. The variability of the observed response was shown by the standard deviation. In addition to finding the average value of a set of data, identifying how much the data is spread from the average value is computed by deviations from the mean (Nicholas, 2006). The higher the value of the mean, the more agreement there is between the responses and the statement.

In order to analyze the effects of advertising on consumers' buying preference of GM Furniture in Addis Ababa, a total of 22 questions were formulated and were grouped into four dimensions based on the independent variables: the source factor, the message factor and the channel factor and the dependent variable: the consumers' buying preference. For this purpose, customers were

The Effect of Advertising on Consumers Buying Preference: The Case of GM Furniture

asked to rate the level of agreement on a five-points Likert's summative scaling method, which is a un dimensional scaling method developed by Gardner Murphy and Rensis Likert in 1938 (Bhattacharjee, 2012). The items were rated by judges on a 1 to 5 rating scale, where 1 stood for a strong disagreement, 2 stood for a disagreement, 3 for neutral (neither agreement nor disagreement), 4 for agreement and 5 stood for a strong agreement for each question under the four attributes.

TABLE 3: Descriptive statistics of variables (Survey result using SPSS 2020)

	N	Mean	Standard Deviation
Source factor	334	4.25	0.538
Message factor	334	4.43	0.447
Channel factor	334	4.23	0.545
Consumers' buying preference	334	4.07	0.637

As indicated in TABLE 3, the overall mean scores of both dependent and independent variables ranged from 4.07 to 4.43. The message factor had the highest mean score of 4.43, whereas the consumer buying preference had the least mean score value of 4.07.

4.1.2.1 Descriptive Statistics of the Source Factor

The mean and the standard deviation scores have been computed for all the five sub-constructs of the source factor dimension. These sub-constructs are stated as: 1) the GM Furniture advertisement source person is trustworthy, 2) the advertisement source person is attractive, 3) the advertisement is more visible than the source person, 4) the advertisement source person is less exposed, and 5) the endorsement in the advertisement has congruence or fits with the brand, the result is presented in below.

TABLE 4: Source factor descriptive statistics (Survey result using SPSS 2020)

Sub-constructs of the Source Factor dimension of the GM Furniture Advertisement	N	Mean	Standard Deviation
Advertisement source person is trustworthy	334	4.06	0.830
Advertisement source person is attractive	334	4.45	0.681
Advertisement is more visible than the source person	334	4.19	0.846
Advertisement source person is less exposed	334	4.27	0.768
Endorsement has congruence with the brand	334	4.28	0.789

As shown in TABLE 4, the mean scores of the source factor attribute for all the five items ranged from 4.06 to 4.45. The sub-construct of the of GM Furniture advertisement source person is attractive received the highest mean score of 4.45; whereas the trustworthiness of the source person of the GM Furniture advertisement received the least mean score value of 4.06. The overall mean score of the source factor attributes was calculated to be 4.25, which is above average.

4.1.2.2 Descriptive Statistics of Message Factor

The mean and the standard deviation scores have been computed for all the seven sub-constructs of the message factor dimension. These sub-constructs are stated as: 1) the message in the GM Furniture advertisement is clear, 2) the message in the GM Furniture advertisement is rationally appealing, 3) the message in the GM Furniture advertisement is emotionally appealing, 4) the visual message of the GM Furniture advertisement is attractive, 5) the verbal message of the GM Furniture advertisement is attractive, 6) the message of the GM Furniture advertisement is credible, and 7) the message in the GM Furniture advertisement is executed nicely. The result is presented in TABLE 5.

TABLE 5: Message factor descriptive statistics (Survey result using SPSS 2020)

Sub-constructs of the Message Factor dimension of the GM Furniture Advertisement	N	Mean	Standard Deviation
The message in the advertisement is clear	334	4.50	0.692
The message in the advertisement is rationally appealing	334	4.52	0.692
The message in the advertisement is emotionally appealing	334	4.34	0.795
The visual message in the advertisement is attractive	334	4.62	0.612
The verbal message in the advertisement is attractive	334	4.33	0.802
The message in the advertisement is credible	334	4.36	0.725
The message in the advertisement is executed nicely	334	4.34	0.797

As shown in TABLE 5, the mean scores of the message factor attribute for all the seven sub-constructs ranged from 4.33 to 4.62, which indicates that the attractiveness of the visual message of the GM Furniture advertisement received the highest mean score of 4.62, whereas The attractiveness of the verbal message of the GM Furniture advertisement received the least mean score value of 4.33. The overall mean score value of the message factor attribute was calculated to be 4.43, which is above average.

4.1.2.3 Descriptive Statistics of Channel Factor

The mean and the standard deviation scores have been computed for all the nine sub-constructs of channel factor dimension. These sub-constructs are stated as: 1) from the medium of advertising that GM Furniture is using, a broadcast media influenced me to consider the product, 2) a print media influenced me to consider the product, 3) an outdoor media influenced me to consider the product, 4) the broadcast media program content in which GM Furniture is using for advertising is attractive, 5) the print media program content in which GM Furniture is using for advertising is attractive, and 6) the outdoor media environment in which GM Furniture is using for advertising is attractive. The result is presented in TABLE 6.

The Effect of Advertising on Consumers Buying Preference: The Case of GM Furniture

TABLE 6: Channel factor descriptive statistics (Survey result using SPSS 2020)

Sub-constructs of the Channel Factor dimension of the GM Furniture Advertisement	N	Mean	Standard Deviation
Influenced by a broadcast media to consider GM Furniture	334	4.54	0.673
Influenced by a print media to consider GM Furniture	334	4.01	0.946
Influenced by an outdoor media to consider GM Furniture	334	4.25	0.834
The program content in the broadcast media that GM Furniture chose for advertising is attractive	334	4.15	0.919
The program content in the print media that GM Furniture chose for advertising is attractive	334	4.16	0.850
The program content in the outdoor media that GM Furniture chose for advertising is attractive	334	4.26	0.884

As indicated in TABLE 6, the mean scores of channel factor attribute for all the six items ranged from 4.01 to 4.54, which indicates that the Influence by a broadcast media to consider GM Furniture received the highest mean score of 4.54, whereas the Influence by a print media to consider GM Furniture received the least mean score value of 4.01. The overall mean score of the channel factor attribute was calculated to be 4.23, which is above average.

4.1.2.4 Descriptive Statistics of Consumers' Buying Preference

The mean and the standard deviation scores have been computed for all the four sub-constructs of consumers' buying preference dimension. These sub-constructs are stated as: 1) I prefer GM furniture because I was influenced by the source person, 2) I prefer GM furniture because I was influenced by the message in the advertisement, 3) I prefer GM furniture because I was influenced by the medium that GM furniture chose for advertising, and 4) the GM furniture advertisement influenced me to choose the brand. The result is presented in TABLE 7 below.

The Effect of Advertising on Consumers Buying Preference: The Case of GM Furniture

TABLE 7: Consumers' buying preference descriptive statistics (Survey result using SPSS 2020)

Sub-constructs of the consumers' buying preference dimension of the GM Furniture Advertisement	N	Mean	Standard Deviation
I prefer GM Furniture because I was influenced by the source person	334	4.10	0.832
I prefer GM Furniture because I was influenced by the message in the advertisement	334	4.00	0.788
I prefer GM Furniture because I was influenced by the medium that GM Furniture chose for advertising	334	4.04	1.005
The GM Furniture advertisement influenced me to choose the brand	334	4.14	0.855

As shown in TABLE 7, the mean scores of consumers' buying preference attributes for all the four items ranged from 4.00 to 4.14, which indicates that the consumers' buying preference of GM furniture being due to the influence from the advertisement to choose the brand received the highest mean score 4.14, whereas the consumers' buying preference of GM furniture being due to the message that GM furniture chose for advertising received the least mean score value of 4.00. The overall mean score of consumers' buying preference attribute was calculated to be 4.07, which is above average.

4.3 Inferential Statistics

Inferential statistics are produced by complex mathematical calculations, and allow researchers to infer trends and make assumptions and predictions about a population based on a study sample (Bhattacharjee, 2012). They differ from descriptive statistics as they are designed to test hypotheses explicitly.

4.3.1 Correlation Analysis

Correlation analysis examines how two variables are related to each other. The strength of the relationship between the two variables is denoted by a number between -1 and +1 (Robert, 2006). The sign of the correlation being either positive or negative provides information about the type of the relation. The strengths of relationships between variables could be interpreted by the guideline on the correlation coefficient (r) suggested in (Bhattacharjee, 2012). The guideline interprets values of correlation coefficient (r) between 0.1 and 0.29 as a weak relationship between variables; between 0.3 and 0.49 as a moderate relationship between variables, and above 0.5 as strong relationship between variables. Depending on this assumption, all basic constructs were included into the correlation analysis and a bivariate two tailed correlation analysis was performed as shown in TABLE.

TABLE 8: Correlation result, *n=334* (Survey result using SPSS 2020)

Variables	1	2	3	4
1. Consumers' buying preference	1			
2. Source factor	0.630**	1		
3. Message factor	0.692**	0.568**	1	
4. Channel factor	0.726**	0.629**	0.654**	1

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

The results of correlation analysis in TABLE 8 show that all of the three independent variables were positively and significantly correlated with the dependent variable, which is consumers' buying preference at 99% confidence level ($P < 0.01$). The strong correlation to the consumers' buying preference is shown by the independent variable the channel factor, message factor & source factor at a value of r equal to 0.726, 0.692 & 0.630 respectively.

Hence it could be concluded that the three independent variables, source factor, message factors and channel factor were positively and strongly correlated with the consumers' buying preference (dependent variable).

4.3.2 Assumption Testing for Regression Analysis

Meeting the assumptions of regression analysis is necessary to confirm that the obtained data truly represents the sample in order to get the best results (Hair et al., 2006). Three assumptions namely normality, linearity and multicollinearity were used in this research as discussed below.

4.3.2.1 Normality Assumption

Normality refers to the shape of a normal distribution variable. The normal distribution is one of the most important concepts in statistics since nearly all statistical tests require normally a distributed data. The data should be tested before running the regression analysis as multiple regressions require that the independent variables in the analysis to be normally distributed (Hair 2006). It basically describes how large samples of knowledge appear as if once they are plotted. Histograms are graphical methods of testing residuals that are either normality distributed or not. If the residuals are normally distributed, the histogram will have bell-shaped, centered and unimodal (Robert, 2006). As it is shown in Appendix 1, the distribution of residuals is a normal curve which simply means that it is not heavily peaked. The distribution is also unimodal since there is only one peak, which confirms that the data is normally distributed.

Normal probability plots were also used to test the normality assumption. According to (Hair, 2006), residuals that are normally distributed around its mean and normal distribution would follow a straight line. If a distribution is normal, the residual line will follow the diagonal closely. As shown in Appendix 2, the residuals appeared to have a reasonably normal distribution, which confirms the normality of the data.

From the skewness and kurtosis values perspective, one can infer if the normality assumption has been met. According to Robert (2006), Skewness is a measure of the symmetry of a distribution. It describes how much a distribution differs from the normal, either to the left or to the right. The skewness value can be either positive, negative or zero, and a perfect normal distribution would have a skewness value of zero because the mean equals the median. Whereas, kurtosis measures the extent to which observations cluster around a central point. It measures whether the dataset is heavy-tailed or light-tailed compared to a normal distribution. The value of Skewness and Kurtosis and their respective standard errors were computed and are presented in TABLE 9. Since the common one mostly suggested mentioned in literature for both kurtosis and Skewness to be between -2 and +2 (George & Mallery, 2010). As indicated in the table below, skewness

The Effect of Advertising on Consumers Buying Preference: The Case of GM Furniture

and kurtosis measures for this study are well within that range between -2 and +2 values. Therefore, the data for this study is normally distributed.

It can be seen from the above discussion that the figures and the table confirmed the normality assumption of the data, which implies that the conclusion made on the population parameters from the sample statistics is valid.

TABLE 9: Skewness and Kurtosis measures (Survey result using SPSS 2020)

	N	Skewness		Kurtosis	
	Statistic	Statistic	Standard Error	Statistic	Standard Error
Source factor	334	-0.517	0.133	0.459	0.266
Message factor	334	-0.364	0.133	-0.851	0.266
Channel factor	334	0.065	0.133	-1.313	0.266
Consumers' buying preference	334	-0.127	0.133	-0.847	0.266
Valid N (list wise)	334				

4.3.2.2 Linearity Assumption

Multiple regressions assume a linear relationship between the independent and dependent variables. The bivariate plot of the predicted value against residuals can help us infer whether the relationship of the predictors to the outcome is linear. Hence using visual inspection of the scatter plot, it can be suggested about the linearity.

Looking at the scatter plot of each independent variables, it appears that the relationship of standardized predicted to residuals is roughly linear around zero (Appendix 3). Hence, we can conclude that the relationship between the response variable and predictors is around zero suggesting that the relationships between these variables are linear.

4.3.2.3 Multicollinearity Assumption

Before running regression, one should check for the problem of Multicollinearity which is present if there is high correlation between some of the independent variables. The study checks this with the variance Inflation Factor (VIF) which calculates the influence of correlation among the independent variables on the precision of regression estimates. The VIF should not exceed 10. Tolerance is an indicator of how much of the variability of the specified independent variable is not explained by the other independent variable in the model and is calculated using the formula $1-R^2$ for each variable. If this value is less than 0.1 it indicates that there is possibility of multi-co linearity, but if it is greater than 0.1 it means that there is no Multicollinearity problem with in the model.

TABLE 10 Multicollinearity test using Consumers' Buying Preference as a dependent variable
(Survey result using SPSS 2020)

Model	Collinearity Statistics	
	Tolerance	VIF
Source factor	0.562	1.781
Message factor	0.532	1.880
Channel factor	0.475	2.106

The results of Multicollinearity test in the TABLE 10 shows that, the tolerance level of all independent variables is greater than 0.1 and the VIF value of all the independent variables is also less than 10. This result confirms the absence of multicollinearity.

4.3 Regression Analysis

4.3.1 Multiple Regressions

Multiple regression analysis is outlined as “a statistical technique that analyzes the linear relationships between the dependent variable and more than one independent variables through estimating coefficients for the equation for a straight line” (Hair, 2004).

In this research, multiple regressions were conducted in order to identify by how much the independent variables namely the source factor, the message factor, and the channel factor explains the dependent variable, which is the consumers' buying preference. R-squared was used

The Effect of Advertising on Consumers Buying Preference: The Case of GM Furniture

to measure the percentage of variance in the dependent variable explained by the independent variables of the source factor, the message factor, and the channel factor.

The multiple regression equation is: $Y = A + B_1X_1 + B_2X_2 + \dots + B_nX_n$

Where Y = the predicted independent variable

A = constant

B = standardized regression coefficient

X = value of the predicted coefficient

Thus, in this research the following multiple equations were used to predict the level of preference for the three independent variables:

$$CBP = A + B_1SF + B_2MF + B_3CF$$

Where: CBP is Consumers' Buying Preference

SF is Source Factor

MF is Message Factor

CF is Channel Factor

TABLE 11: Model Summary (Survey result using SPSS 2020)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.796 ^a	0.633	0.629	0.38788

a. Predictors: (Constant): Message Factor, Channel Factor, Source Factor

b. Dependent Variable: Consumer Buying Preference

The model summary in TABLE 11 shows an Adjusted R-squared value of 0.629, which means that 62.9% of the consumers' buying preference variable was explained by the variation of the three independent variables. On the other hand, 37.1% of the dependent consumers' buying preference variable could not be explained by these three dimensions, and that there must be other variables that have an influence on the outcome.

To test the hypothesis of no liner relationship between the predictor and dependent variables, Analysis of Variance (ANOVA) is used. According to Robert (2006), if the f-statistics is high

The Effect of Advertising on Consumers Buying Preference: The Case of GM Furniture

and the significance level less than 0.05 then the hypothesis of no linear relationship between the independent and dependent variable is rejected.

TABLE 12: ANOVA^a (Survey result using SPSS 2020)

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	85.573	3	28.524	189.592	.000 ^b
Residual	49.649	330	.150		
Total	135.222	333			

a. Dependent Variable: Consumer Buying Preference

b. Predictors: (Constant), Message Factor, Channel Factor, Source Factor

TABLE 12 (ANOVA) presents the F statistics to test how well the regression model fits the data. Thus, in this research F-statistics with 189.59 and significance value of 0.000, the regression model fits the data. In conclusion all the independent variables are linked to the dependent variable.

TABLE 13: Coefficient Matrix (Survey result using SPSS 2020)

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	-0.911	0.220		-4.136	.000
Channel factor	0.454	0.057	0.388	8.009	.000
Message factor	0.460	0.065	0.323	7.055	.000
Source factor	0.241	0.053	0.203	4.566	.000

a. Dependent Variable: Consumer Buying Preference

The larger the beta coefficient an independent variable has brings the more support to the independent variable as the more important determinant in predicting the dependent variable. In other words, keeping the other variables as constant, a one-unit increase in the source factor will bring a 0.203 increase in the consumers' buying preference, a one-unit increase in the message factor will bring a 0.323 increase on the consumers' buying preference and a unit increase on the

The Effect of Advertising on Consumers Buying Preference: The Case of GM Furniture

channel factor will bring a 0.388 increase on the consumers' buying preference of GM furniture in Addis Ababa. Therefore, that channel factor is the most important factor to have positive and significant effect on consumer buying preference.

Thus, the revised regression model for the current study is given to be:

$$Y = -0.911 + 0.203SF + 0.323MF + 0.388CF$$

Where: CBP is Consumers' Buying Preference

SF is Source Factor

MF is Message Factor

CF is Channel Factor

4.4 Hypothesis Testing and Interpretation of Results

TABLE 14: Results of the hypothesis testing and their reasons (Survey result using SPSS 2020)

Hypotheses	Result	Reason
H1: Source factors have a positive and a significant effect on the consumers' buying preference.	H1: Supported	B = 0.203, P < 0.05
H2: Message factors have a positive and a significant effect on the consumers' buying preference.	H2: Supported	B = 0.323, P < 0.05
H3: Channel factors have a positive and a significant effect on the consumers' buying preference.	H3: Supported	B = 0.388, P < 0.05

H1: Source factors have a positive and significant effect on the consumers' buying preference.

The result of multiple regression analysis of the TABLE 13 indicates that source factors have a significant effect on the consumers' buying preference with a p value of 0.000. In addition, the value of beta (β) being equal to 0.203 reveals that there is a positive influence of the source factor on the consumers' buying preference. This implies that a one percent increase in the source factor results in a 20.3% increase on the consumers' buying preference. Therefore, the proposed hypothesis is accepted.

H2: Message factors have a positive and significant effect on the consumers' buying preference. The result of multiple regression analysis of the TABLE 13 indicates that the message factor has a significant effect on the consumers' buying preference with a p value of 0.000. Furthermore, the value of beta (β) being equal to 0.323 shows the positive influence of message factors on the consumers' buying preference. This implies that a one percent increase in the message factors results in a 32.3% increase on the consumers' buying preference. Therefore, the above proposed hypothesis is accepted.

H3: Channel factors have a positive and a significant effect on the consumers' buying preference.

The result of multiple regression analysis of the TABLE 13 indicates that channel factors have a significant effect on the consumers' buying preference with a p value of 0.000. Moreover, the value of beta (β) being equal to 0.388 indicates the positive influence of channel factors on the consumers' buying preference. This implies that a one percent increase in channel factors results in a 38.8% increase on consumers' buying preference. This makes channel factors the strongest predictors of consumers' buying preference. Therefore, the above proposed hypothesis is accepted.

4.5 Discussion of Results

Considering the data analysis on the survey, the demographic composition of the respondents was that 60.2% of the respondents were female and the remaining 39.8% were male. The higher percentage of female respondents could show that there are more female customers of GM furniture than male customers. On the other hand, the majority of the respondents were between the age ranges of 31 to 40 years and 41 to 50 years, which accounted for 47.9% and 30.5% of the respondents respectively. Respondents who were between the age ranges 18 to 30 and above the age of 50 constituted a small proportion of 17.1%, and 4.5% respectively. This indicates that the age groups within 31 to 50 years are the main customers of the GM furniture products focused in this research. The other variable was the education level of respondents, where the highest percentages of respondents, around 54.5% were at second degree and above levels. The second highest percentages of respondents were first degree level that constituted of 31.4% of respondents. The remaining 14.1% respondents were at a diploma level. As majority of respondents were above the diploma level, 60.2% of the respondents were employed in different sectors, 39.8% of the respondents were self-employed. This indicates that the majority of GM

The Effect of Advertising on Consumers Buying Preference: The Case of GM Furniture

furniture customers are within the age group of 31 to 50, in the employed category and having a second degree and above level or a first-degree level of education.

The final demographic variable was used to assess the type of media the respondents came across to see a GM furniture advertisement. The result revealed that the majority of the respondents, accounting for 66.2%, stated broadcast media and outdoor media as their means to know about GM furniture, while those who replied all three media (broadcast media, print media and outdoor media) constituted of 15.6% of the respondents. The least number of respondents accounting for 14.4% stated broadcast media as their means to know about GM furniture, while only 3.9% mentioned both print media and outdoor media as their means to know about GM furniture. This implies that the majority of the respondents had an exposure for broadcast media and outdoor media as compared to print media. This could be due to the fact that most of the respondents have less reading culture, and this could have contributed for the small percentage of print media exposure.

Based on the analysis of the responses, it was found out that the message factor has the highest mean score with 4.43 followed by the source factor and the channel factor with mean values of 4.25 and 4.23 respectively. This indicated that most of the respondents mentioned the message factor was a major advertising aspect that influenced them to prefer GM furniture and to choose the brand as their best preference followed by influences from the source factor and the channel factor respectively.

The correlation result revealed that there is a positive and a significant relationship between the source factor and the consumers' buying preference, between the message factor and the consumers' buying preference and between the channel factor and the consumers' buying preference. Moreover, the result further indicated that the highest relationship was found between the channel factor and the consumers' buying preference.

As per the results of the regression analysis, all the independent variables, namely the source factor, the message factor and the channel factor have positive and significant effects on the consumers' buying preference. This finding is supported by other literature Ahmed (2017), which indicated that advertisements have strong, positive and significant relationship with the consumers' brand preference and the consumers' buying behavior.

The Effect of Advertising on Consumers Buying Preference: The Case of GM Furniture

The result of this study indicates that the source factor has a positive and a significant effect on the consumers' buying preference. This finding is highlighted by Strout R (2008) in his case material "Pepsi and Madonna" examines the utilization of entertainment personalities in advertising commercial products through the instance of Pepsi's use of Madonna. It illustrates how companies attempt to tie the success of the artist to their product. The paper demonstrates the necessity for clear evaluation of the superstar endorser, their public image, and if the connection between the artist and consequently the product applies to the advertising rules. When Pepsi picked Madonna, the selection clothed to be too hot to handle. The \$5 million campaign featuring the extravagant vocalist had to be scrapped due to its links to Madonna's highly controversial "Like a Prayer" music video."

Moreover, the result of this research indicates that the message factor has a positive and significant effect on the customers' buying preference. It is known from other research works that the quality of the message has significant effect on the effectiveness of the advertisement Michael (2012). Furthermore, in this research, the how much the message factor influenced the customers' buying preference of GM furniture is indicated. This could be used to shape the message in the advertisement to create awareness and to be preferred.

The findings in this research indicate that the channel factor has a positive and significant effect on the consumers' buying preference. This finding is supported by other literatures that have shown the effect of different means of media on the consumers' buying preference. Gezachew (2012) conducted with the topic with reference to electronics product and found that from advertising media perspective television advertising is the most preferred by consumers to have awareness. To convey marketing message experts, celebrities, and frequent man were favored through customers to get reliable records of the brand.

Overall, the results revealed that the independent variables used in this research accounted for 62.9% of the variance in the consumers' buying preference (Adjusted R squared = 0.629). Thus, 62.9% of the variation in the consumers' buying preference could be attributed to the effect of advertising. Other variables could explain the variation in consumers' buying preference that accounts for about 37.1%. The result of this research further indicated that channel factor is the most important factor to have positive and significant effect on consumer buying preference.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATION

This chapter summarizes what has been discussed in the earlier chapters and gives a conclusion based on the results from the research. Based on the research findings, recommendations and directions for future researches are presented.

5.1 Summary of Findings

Advertising is a form of communication intended to convince an audience (viewers, readers or listeners) to purchase or take some action upon products, information, or services etc. This paper tried to investigate the relationship between advertising (source factor, message factor and channel factor) and consumer preference of GM furniture by tapping the responses of 334 respondents from five showrooms located in Addis Ababa City Administration. To achieve the objectives of the study, explanatory research design was used.

Data was collected through questionnaire from a sample of 334 purchasers of furniture that were selected using convenient sampling method. The data collected from the questionnaire were analyzed using descriptive statistics (such as mean, standard deviation, percentage and frequency) and inferential statistics like correlation, and multiple regression analysis.

The result of correlation analysis revealed that all components of advertisement such as, media used for advertising, source factor and message factor are positively and strongly correlated with brand preference of GM furniture. The result of regression analysis also shows that variables such as media used for advertising, source factor and message factor, have positive and significant effect on consumers' GM furniture preference.

The regression analysis also revealed that simplicity to understand the source, message and channel factor significantly affect consumers buying preference with beta coefficients of $\beta=.203$, $\beta=.323$ and $\beta=.388$ respectively with $p=0.000$. The findings support the entire three hypotheses formulated for this research. Regression analysis indicated that the channel factor has the higher level of effect while the source factor has the least.

5.2 Conclusion

Advertising is a big marketing weapon to attract customers and stay in customers' mind, and also it has significant impact on consumers' preference of GM furniture. Consumers do recall and rely on advertisements of their brands. This recall helps them in decision making while making a purchase. It is imperative that the products or service of any business received the proper exposure, and the way to achieve exposure is through advertising. Advertising is the means by which goods or services are promoted to the public. The advertiser's goal is to increase sales of these goods or services by drawing people's attention to them and showing them in a favorable light. The mission of advertiser is to reach prospective customers and influence their awareness, attitudes and prefer their brand. They spend a lot of money to keep individuals (markets) interested in their products. To succeed, they need to understand the effect of media used for advertising, message factor and source factor on brand preference. Generally based on the discussions and analysis made the following conclusions were drawn.

In the findings and results of previous chapter, it is evidenced that the channel factor has a strong correlation with consumer buying preference. The second most correlated variable is message factor and source factor showed a lower correlation coefficient. All the correlations between the dependent and independent variable had been found to be significant at a level of 0.000.

Concerning the research objectives, by examining the effect of message, source and channel factor of advertisement towards GM furniture advertisement, it is found that all the research variables has a significant effect on consumers buying preference. Among the research variables channel factor exhibited higher effect while source factor has the least impact. Message factor ranks second in its effect on consumer buying preference.

Finally, it is concluded in this research that 62.9 % of the consumers' buying preference could be attributed by the sum of the three independent variables. Further, it is indicated that channel factor is the most important factor to have positive and significant effect on consumer buying preference. Future research could address what factors and variables determine the remaining 37.1% of the consumers' buying preference.

5.3 Recommendations

On the basis of the findings, the following recommendations are made.

- Marketing managers of GM furniture need to consider all the variables since these variables are the main factors that influence consumers' buying decision and could determine the company's market share. The company needs to work more on identifying the right source person that fits the product and to get target audiences attention during advertising there has to be product-celebrity and audience-celebrity match, otherwise, it might not catch the attention of consumers and the company may not meet its predetermined goal in selling more volume of GM furniture and large market share.
- Significant relationship between the channel factors and the consumer buying preference has been observed in this research. Hence, managers should invest more on advertising the product on the channels that are most preferred by consumers. By identifying the outdoor media that could reach target customers the most and the company could influence customers to prefer the brand.
- As seen in the results of this research, significant relationship between the message factors and the consumers' buying preference has been identified. Therefore, managers should continue their effort on the right message that reflect the quality of the product & attract the customers. Since there are more competitors on the ground more efforts should be made to make sure that the customers are well aware of the ads message and are satisfied with their product. And finally build strong brand by using creative advertisement, a brand that can be on the top lists of every consumer's fortified furniture preference rather than simply broadcasting generic messages.

5.3 Limitations and Future Directions

The following untapped areas were identified for future research. First, this research is limited to consumers of GM furniture and geographically located in the company's show rooms that are in Addis Ababa, Ethiopia. Careful attention should be made while generalizing from these findings to other cities in Ethiopia or to other countries. Second, the effect of advertising has been researched from the side of customers only. Analyzing the effect of advertising from the point of view of the company could be an area for future research. Third, the research only focused on the GM furniture brand and did not consider the effect of advertising on other furniture brands that could be locally manufactured. Any interested researchers could study the effect of advertising on other areas of business other than the one used in this study, which is the furniture sector.

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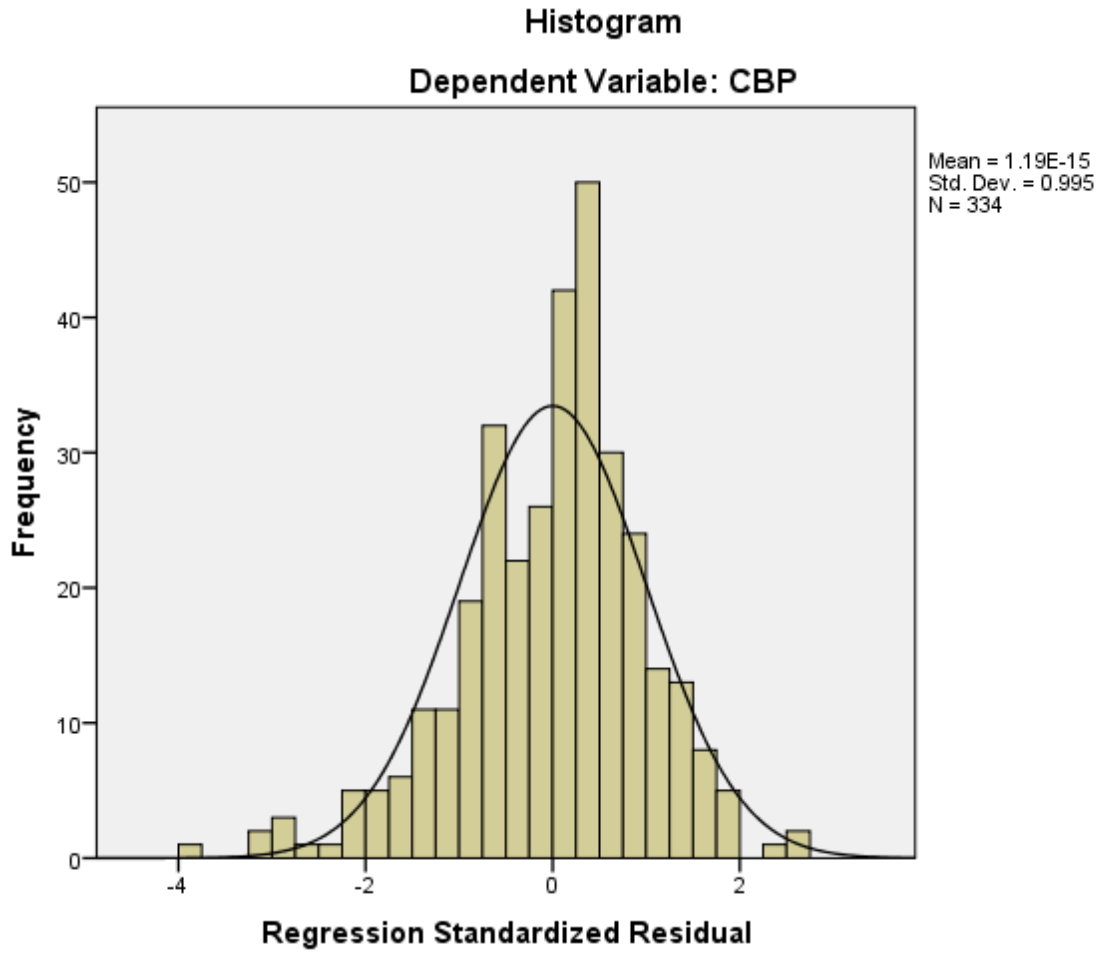
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The Effect of Advertising on Consumers Buying Preference: The Case of GM Furniture

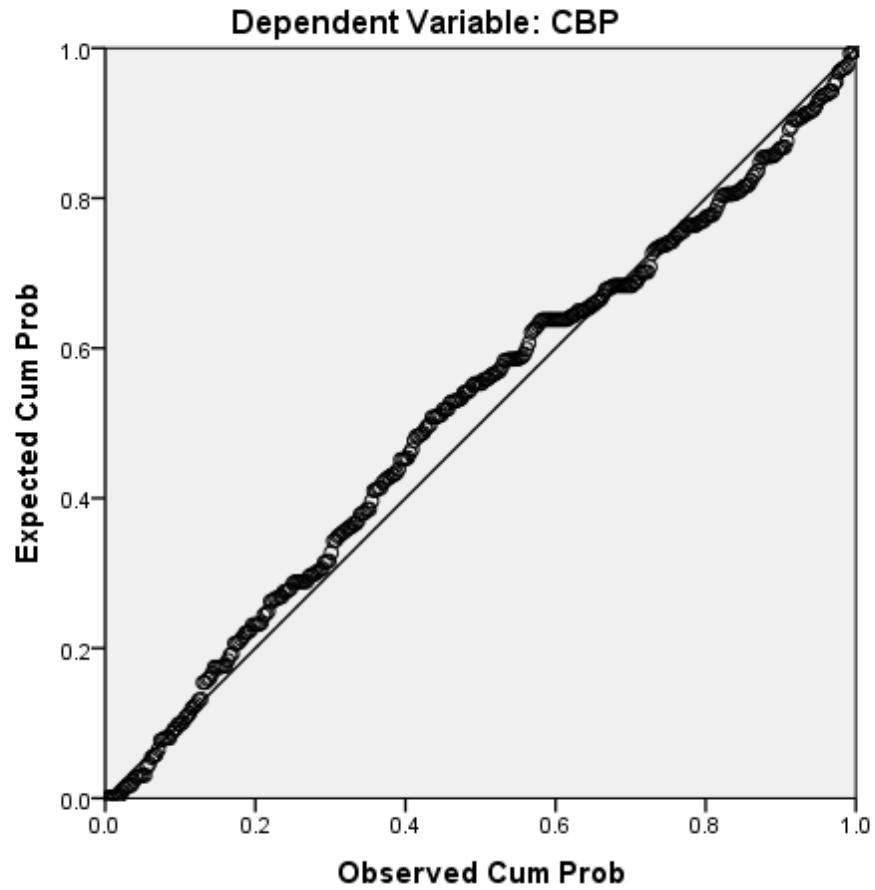
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APPENDIX-1 Histogram



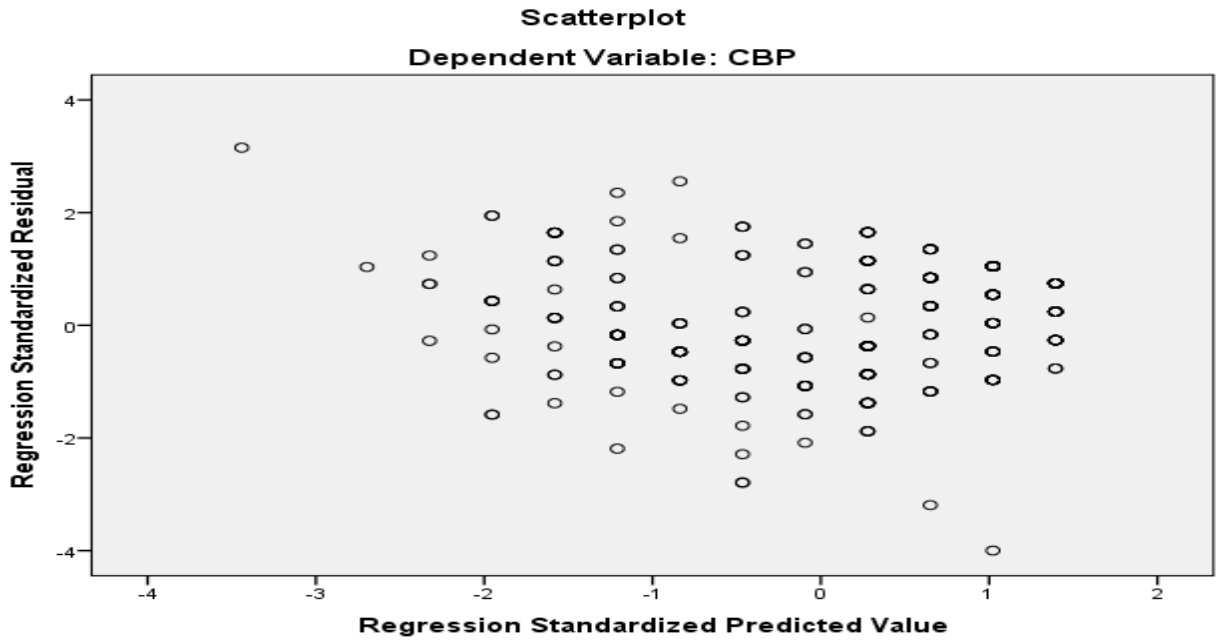
APPENDIX-2 Plot of Regression Standardized Residual

Normal P-P Plot of Regression Standardized Residual

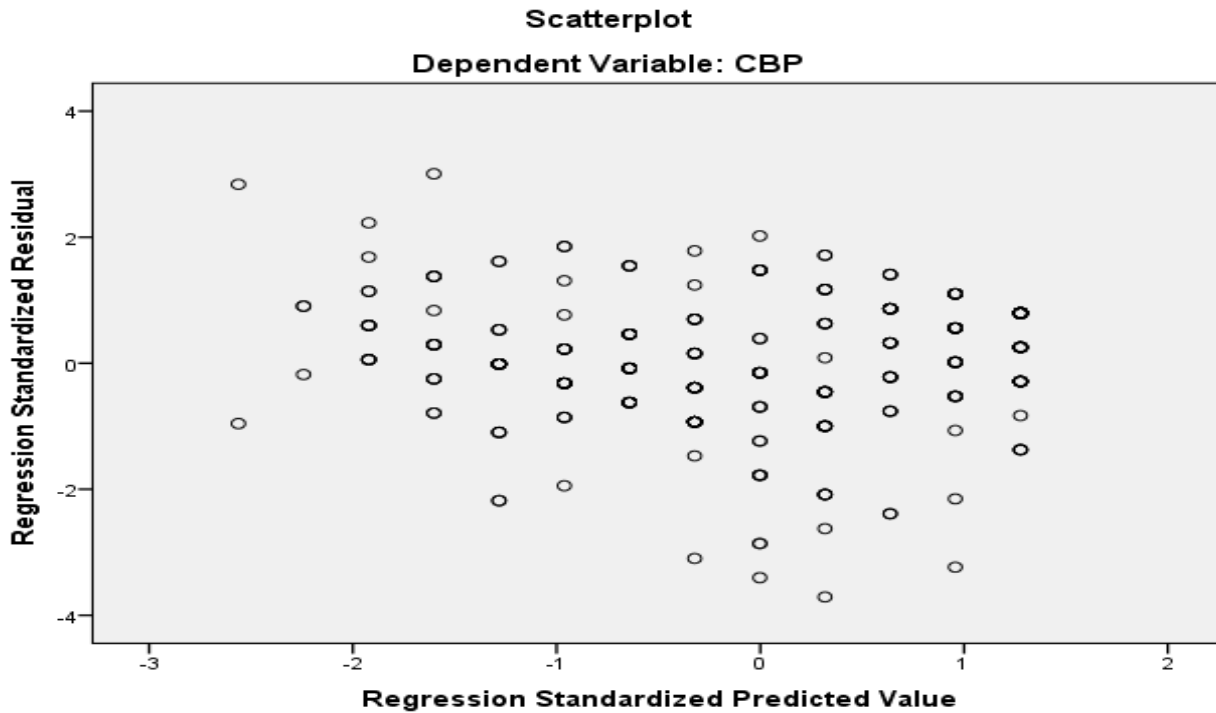


APPENDIX-3:

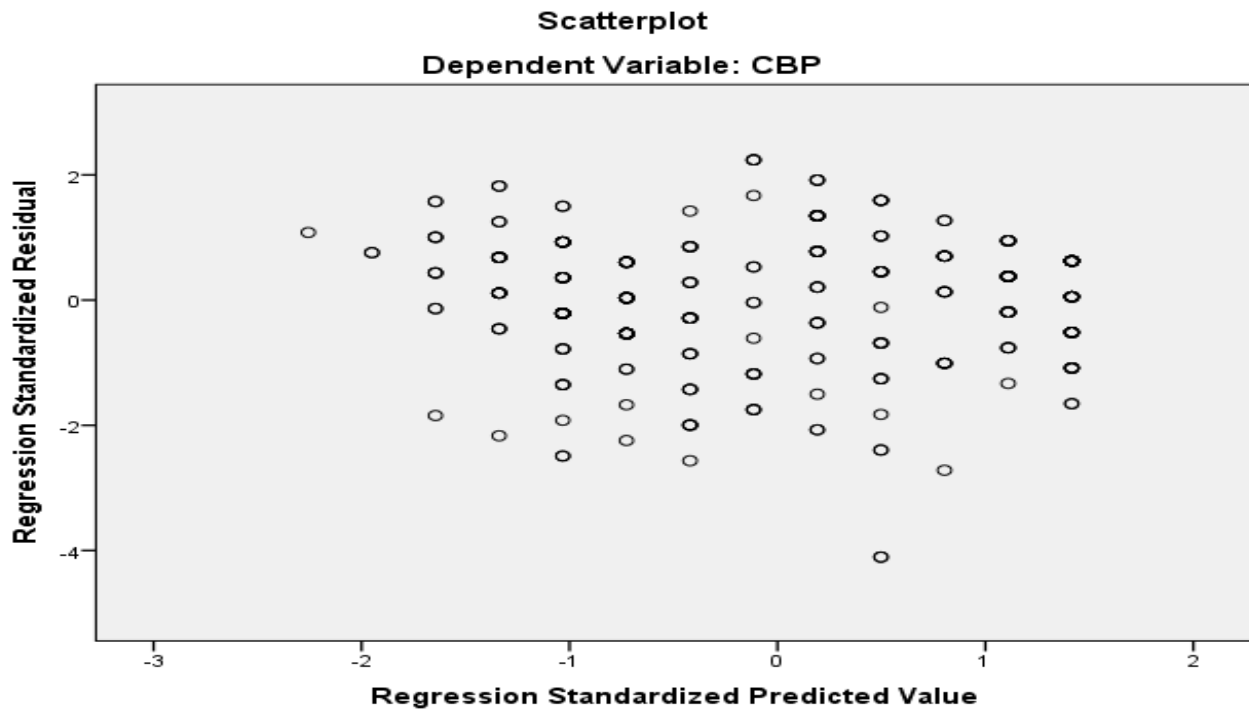
Source Factor



Message Factor



Channel Factor



APPENDIX-4: Questionnaire

Dear respondent,

My name is Tigist W/mariam I am doing a research with the title “The Effect of Advertising on Consumers Buying Preference: The case of GM furniture in Addis Ababa” for the partial fulfillment of MA in Marketing Management at Addis Ababa University School of Commerce. I kindly request your cooperation in filling this questionnaire. Your willingness in giving genuine information is well appreciated. The information you provide will only be used for the study and it is highly confidential.

Thank you for your cooperation!

Part I: Demographic profile

Please answer by putting a thick mark in the space provided.

1. Gender A. Male B. Female
2. Age 18-30 31-40 41-49 50 years and above
3. Education level A, Below high school C. Diploma E. 2nd Degree & above
B. High school D. 1st Degree
4. Occupation Student Employee Self-employed Other-----

Have you seen GM Furniture advertising? Yes No

If yes, Which GM furniture advertising did you see?

Broadcast media (TV, Radio, Internet)

The Effect of Advertising on Consumers Buying Preference: The Case of GM Furniture

Print media (Newspapers, Magazines, and Brochures)

Outdoor media (Billboards, Shop banners, Interior design of the shop)

A (SF)	Source Factor (SF)	Strongly Disagree	Disagree	Neither Agree or disagree	Agree	Strongly Agree
SF 1	GM furniture advertising source person is trustworthy.					
SF 2	GM furniture advertising source person is attractive.					
SF 3	GM furniture advertising is more visible than the source person					
SF 4	GM furniture advertising source person is less exposed.					
SF 5	I believe the endorsement of GM furniture have congruence (fit) with the brand.					
BMF	Message Factor (MF)	Strongly Disagree	Disagree	Neither Agree or disagree	Agree	Strongly Agree
MF1	In my opinion, GM furniture advertising message is clear.					
MF2	GM furniture advertising message is rationally appealing by attempting to communicate information regarding the product features and/or the benefits of owning or using it.					
MF 3	GM furniture advertising message is emotionally appealing by highlighting emotional factors of the product.					

The Effect of Advertising on Consumers Buying Preference: The Case of GM Furniture

MF 4	The visual message (TV, Internet, print media, Outdoor media) of GM furniture advertising is attractive.					
MF 5	The verbal message of GM furniture advertising is attractive.					
MF 6	I can say that the message of GM furniture advertising is credible.					
MF 7	In my opinion, GM furniture advertising message is clear.					

C(CF)	Channel Factor (CF)	Strongly Disagree	Disagree	Neither Agree or disagree	Agree	Strongly Agree
CF1	From the medium of advertising that GM furniture is using, broadcast media (TV, Radio, Internet) influenced me to consider the product.					
CF2	From the medium of advertising that GM furniture is using, print media (Newspapers, Magazines, Brochures) influenced me to consider the product.					
CF3	From the medium of advertising that GM furniture is using, outdoor media (Billboards, Shop banners, Interior design of the shop) influenced me to consider the					

The Effect of Advertising on Consumers Buying Preference: The Case of GM Furniture

	product.					
CF4	The broadcast media program content in which GM furniture using for advertising is attractive.					
CF5	The print media program content in which GM furniture is using for advertising is attractive.					
CF6	The outdoor media environment in which GM furniture is using for advertising is attractive.					
D(CBP)	Consumer Buying Preference (CBP)	Strongly Disagree	Disagree	Neither Agree or disagree	Agree	Strongly Agree
CBP1	I prefer GM Furniture because I was influenced by the source person					
CBP2	I prefer GM Furniture because I was influenced by the message in the advertisement					
CBP3	I prefer GM Furniture because I was influenced by the medium that GM Furniture chose for advertising					
CBP4	The GM Furniture advertisement influenced me to choose the brand					

APPENDIX-5: Questionnaire

የአዲስ አበባ ዩንቨርሲቲ የንግድ ሥራ ት/ቤት የገበያ ጥናት አመራር ትምህርት ክፍል ወደ የጥናቱ ተሳታፊዎች

ስሜ ትግስት ወ/ማርያም ይባላል። የአዲስ አበባ ዩንቨርሲቲ የንግድና ሥራ ት/ቤት በገበያ ጥናት አመራር ትምህርት ክፍል የሁለተኛ ዲግሪዎን ለመጨረስ የሚያስችለኝን የጥናት ወረቀት እየሰራሁ እገኛለሁ። የጥናቱ ትኩረት የሆነው በጂ ኤም የእንጨት ምርቶች ማስታወቂያዎች እና በተጠቃሚ የመግዛት የመነሣሣት ፍሊጎት ላይ ነው። መጠይቁ ሁለት ክፍሎች ያሉት ሲሆን የመጀመርያው ክፍል ስለ እራስዎ አጠቃላይ መረጃ ሲሆን ሁለተኛው ክፍል ደግሞ ስለ እንጨት ምርቶች ማስታወቂያ ይዘት እና የመግዛት መነሣሣት ፍሊጎትን በተመለከተ ነው። ስምዎን መጻፍ አይጠበቅብዎትም። እንዲሁም ከዚህ መጠየቅ የሚሰበሰበው መረጃ ለዚህ ጥናት ብቻ ይውላል። ሚስጥራዊነቱ የተጠበቀ ስለሚሆን የእርስዎን አመለካከት የሚያንፀባርቀው ቁጥር ሊይ ያክብቡ። እባክዎን ይህ መጠይቅ ለዚህ ጥናት ብቻ ስለሚውል ትክክለኛ አስተያየትዎን ያስፍሩ።

ክፍሌ አንድ፡ በዚህ ክፍል ጥያቄዎችን ለመመለስ በተሠጡት አማራጮች ሊይ በማክበብ ያሳዩ።

- 1) ያታ
 - 1) ሴት
 - 2) ወንድ
- 2) እድሜ
 - 1) 18-30
 - 2) 31-40
 - 3) 41-50
 - 4) ከ50 በላይ
- 3) የትምህርት ደረጃ
 - 1) የመጀመሪያ ደረጃ
 - 2) ሁለተኛ ደረጃ
 - 3) ዲፕሎማ
 - 4) መጀመርያ ዲግሪ
 - 5) ሁለተኛ ዲግሪ እና ከዛበላይ

4) የስራ ሁኔታ

- 1) ተማሪ
- 2) ተቀጣሪ (የመንግስት ወይም የድርጅት)
- 3) የግሌ ተቀጣሪ
- 4) ሌላ

5) የ ጂኤም የቤት ዕቃዎች ማስታወቂያዎችን አይተው ያውቃሉ?

አዎ ካሉ ፣ የትኛውን የ ጂኤም የቤት እቃዎች ማስታወቂያ አይተዋል?

- 1) ብሮድካስት ሚዲያ (ቴሌቪዥን ፣ ሬዲዮ ፣ የኢንተርኔት)
- 2) የህትመት ውጤቶች (ጋዜጦች ፣ መጽሔቶች ፣ ብሮሽሮች)
- 3) የውጪ ሚዲያ (ቢልቦርዶች ፣ የሱቅ ባኒሮች ፣ የሱቁ የውስጥ ዲዛይን)

	የመረጃ ምንጭ	በጣም እስማማለሁ	አልስማማም	ገለልተኛ ነኝ	እስማማለሁ	በጣም አልስማማም
1	የጂኤም የቤት ዕቃዎችን የሚያስተዋወቀው ሰው እምነት የሚጣልበት ነው ።					
2	የጂኤም የቤት ዕቃዎችን የሚያስተዋወቀው ሰው መልካም ነው ።					
3	የጂ ኤም ማስታወቂያ ግልጽ ነው					
4	ጂኤም የቤት ዕቃዎችን ለማስተዋወቅ የሚጠቀሙት ሰው በ ማህበረሰቡ እውቅናን ያገኙ አይደሉም።					
	በኔ እይታ ጂኤም የቤት ዕቃዎችን ለማስተዋወቅ					

5	የተጠቀሙት ሰው የንግድ መለያውን በደንብ ያስተዋውቃል።					
	ማስታወቂያ መልእክት	በጣም እስማማለሁ	አልስማምም	ገለልተኛ ነኝ	እስማማለሁ	በጣም አልስማምም
1	በእኔ አስተያየት የጂኤም የቤት ዕቃዎች ማስታወቂያ መልእክት ግልፅ ነው ።					
2	የ የጂኤም የቤት ዕቃዎች ማስታወቂያ የምርቱን ባህሪና ጥቅሞች የደንበኛውን ስሜት በሚገዛ መልኩ መረጃ ይሰጣል					
3	የ የጂኤም የቤት ዕቃዎች ማስታወቂያ የምርቱን በማጉላት ስሜትን ይማርካል ።					
4	የጂ ኤም የቤት ዕቃዎች ማስታወቂያ የእይታ መልእክት (ቴሌቪዥን ፣ ኢንተርኔት ፣ የህትመት ሚዲያ) የሚማርክ ነው ።					
5	የጂኤም ዕቃዎች ማስታወቂያ የቃል መልእክት ማራኪ ነው ።					
6	የጂኤም የቤት ዕቃዎች ማስታወቂያ ተግማኒ ነው ለማለት እችላለሁ ።					
7	የጂኤም የቤት ዕቃዎች ማስታወቂያ መልእክት በጥሩ ሁኔታ ይተላለፋል ብዬ መደምደም እችላለሁ.					
	የሚደታ መረጃ	በጣም እስማማለሁ	አልስማማም	ገለልተኛ ነኝ	እስማማለሁ	በጣም አልስማምም
	ጂኤም የቤት ዕቃዎች ከሚጠቀምባቸው					

1	ማስታወቂያዎች መካከል ፣ የቴሌቪዥን ሚዲያ (ቴሌቪዥን ፣ ሬዲዮ ፣ ኢንተርኔት) ምርቱን እንድመርጥ ተጽዕኖ አሳድሮብኛል ።					
2	ጂኔም የቤት ዕቃዎች ከሚጠቀምባቸው ማስታወቂያዎች መካከል የህትመት ሚዲያ (ጋዜጦች ፣ መጽሔቶች ፣ ብሮሹሮች) ምርቱን እንድመርጥ ተጽዕኖ አሳድሮብኛል ።					
3	ጂኔም የቤት ዕቃዎች ከሚጠቀምባቸው ማስታወቂያዎች መካከል ፣ የቤት ውጪ ሚዲያ (ቢልቦርድ ፣ የሱቅ ባኒሮች ፣ የሱቁ ውስጥ ዲዛይን) ምርቱን እንድመርጥ ተጽዕኖ አሳድሮብኛል					
4	ጂኔም የቤት ዕቃዎች የሚተዋወቅበት የሚዲያ ፕሮግራም ይዘት ማራኪ ነው።					
5	ጂኔም የቤት ዕቃዎች የሚተዋወቅበት የህትመት የሚዲያ ይዘት ማራኪ ነው።					
6	ኔም ለማስታወቂያ ቢልቦርድ የሚጠቀሟቸው አካባቢዎች ለእይታ ምቹ ናቸው					
	የሽማግሌዎች የመግዛት ፍላጎት	በጣም እስማማለሁ	አልስማማም	ገለልተኛ ነኝ	እስማማለሁ	በጣም አልስማማም
1	የጂኔም የቤት ዕቃዎች የመረጥኩት በመረጃ ሚስጠው ስዉ ተማርኬ ነዉ					
2	የጂኔም የቤት ዕቃዎች የመረጥኩት በማስታወቂያ መልክቱ ተማርኬ ነዉ					
3	የጂኔም የቤት ዕቃዎች የመረጥኩት በሚዲያ መረጃዉ ተማርኬ ነዉ					

4	የጂ.ኤም የቤት ዕቃዎች ማስታወቂያ የመግዛት ፍላጎት ላይ ተጽእኖ አሳድሮብኛል					
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ውድ ጊዜዎትን ሰውተው ይህንን መጠይቅ ስለሞሉልኝ እና ስለ ትብብርዎት በጣም አመሰግናለሁ።

The Effect of Advertising on Consumers Buying Preference: The Case of GM Furniture

APPENDIX-6

Reliability

Cronbach's Alpha	N of Items
.717	5

Cronbach's Alpha	N of Items
.717	7

Cronbach's Alpha	N of Items
.707	6

Cronbach's Alpha	N of Items
.706	4

Gender

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Male	133	39.8	39.8	39.8
Valid Female	201	60.2	60.2	100.0
Total	334	100.0	100.0	

Age

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 18-30	57	17.1	17.1	17.1
Valid 31-40	160	47.9	47.9	65.0
Valid 41-50	102	30.5	30.5	95.5
Valid 50 years & above	15	4.5	4.5	100.0
Total	334	100.0	100.0	

The Effect of Advertising on Consumers Buying Preference: The Case of GM Furniture

Educational Level

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Diploma	47	14.1	14.1	14.1
	1st degree	105	31.4	31.4	45.5
	2nd degree & above	182	54.5	54.5	100.0
	Total	334	100.0	100.0	

Occupation

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Employee	201	60.2	60.2	60.2
	Self-employed	133	39.8	39.8	100.0
	Total	334	100.0	100.0	

which GM furniture advertising did you see?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Broadcast media (TV, Radio, Internet)	48	14.4	14.4	14.4
	Broadcast media and Outdoor media	221	66.2	66.2	80.5
	Print media and Outdoor media	13	3.9	3.9	84.4
	Broadcast media, Print media and Outdoor media	52	15.6	15.6	100.0
	Total	334	100.0	100.0	

The Effect of Advertising on Consumers Buying Preference: The Case of GM Furniture

Correlations

		CBP	SF	MF	CF
CBP	Pearson Correlation	1	.630**	.692**	.726**
	Sig. (2-tailed)		.000	.000	.000
	N	334	334	334	334
SF	Pearson Correlation	.630**	1	.568**	.629**
	Sig. (2-tailed)	.000		.000	.000
	N	334	334	334	334
MF	Pearson Correlation	.692**	.568**	1	.654**
	Sig. (2-tailed)	.000	.000		.000
	N	334	334	334	334
CF	Pearson Correlation	.726**	.629**	.654**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	334	334	334	334

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

Regression

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.796 ^a	.633	.629	.38788	.633	189.592	3	330	.000

a. Predictors: (Constant), SF, MF, CF

b. Dependent Variable: CBP

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	85.573	3	28.524	189.592	.000 ^b
	Residual	49.649	330	.150		
	Total	135.222	333			

a. Dependent Variable: CBP

b. Predictors: (Constant), SF, MF, CF

The Effect of Advertising on Consumers Buying Preference: The Case of GM Furniture

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B		Correlations			Collinearity Statistics		
	B	Std. Error				Beta	Lower Bound	Upper Bound	Zero-order	Partial	Part	Tolerance	VIF
(Constant)	-.911	.220			-.4136	.000	-1.344	-.478					
CF	.454	.057	.388	8.009	.000	.342	.565		.726	.403	.267	.475	2.106
MF	.460	.065	.323	7.055	.000	.332	.589		.692	.362	.235	.532	1.880
SF	.241	.053	.203	4.566	.000	.137	.345		.630	.244	.152	.562	1.781

a. Dependent Variable: CBP