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**THE INFLUENCE OF BANNING BEER ADVERTISEMENT ON CONSUMER
BEHAVIOR IN THE CASE OF HABESHA BREWERIES S.C.**

BY

HANNA HABTAMU

**A THESIS SUBMITTED TO MBA COORDINATION OFFICE, COLLEGE OF
BUSINESS AND ECONOMICS IN PARTIAL FULFILLMENT OF THE
REQUIREMENTS FOR MASTER OF BUSINESS ADMINISTRATION (MBA)
DEGREE**

ADVISOR DR. ZELALEM G/TSADEK

SEPTEMBER 2021

ADDIS ABABA, ETHIOPIA

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UNDER GUIDANCE OF DR. ZELALEM G/TSADEK

SEPTEMBER, 2021

ADDIS ABABA, ETHIOPIA

DECLARATION

I, the undersigned, declare that this thesis is my original work, prepared under the guidance of **Zelalem G/tsadik** (PhD). All sources of materials used for the thesis has been duly acknowledged. I further confirm that the thesis has not been submitted either in part or in full to any other higher learning institution for the purpose of earning any degree.

Declared by **Hanna Habtamu**

Signature: _____

Date: _____

ENDORSEMENT

I confirm that this thesis has been produced as per the standards of higher institutions and submitted to Addis Ababa University for examination approvable as a university advisor.

Advisor: **Zelalem G/tsadik** (PhD)

Signature: _____

Date: _____

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ABSTRACT

This study looks at how Habesha Brewery manages the competitive and dynamic market to impact consumer behavior. In addition, the study attempted to fill a knowledge gap on the impact of advertising bans on consumer behavior. The study's overall goal is to determine the impact of an alcohol advertising prohibition on beer consumers' behavior in Addis Ababa. The scope of the study is limited to one specific company, i.e., Habesha breweries S.C. Not only that but it analyzes and compares consumption data from that previous year of which the proclamation was not implemented to the status after the banning. Based on the type of data it employs, the research followed a mixed approach. The study used a convenient sampling technique to select respondents and used primary data as data source. Descriptive statistics, Correlation and linear Regression are used to analyze the data due to the quantitative nature of the study. Alcohol advertising appeals to young people by satire, dance, stunning tones, and songs, which would generally promote the connection between drinking and socialization and being accepted by peers, all of which are major concerns for young people. The study's findings show that prohibiting alcohol ads in the media has had both positive and harmful consequences. As a result of the implementation of the law prohibiting alcohol advertisements, there has been changes to youth exposure to alcohol, which may have led to a decrease in alcohol use and alcohol related crimes. Despite all the advantages on social well-being, the law prohibiting alcohol ads on television and radio has had a significant negative influence on the broadcast and advertising industries' market environments. As a result, the media and advertisement industry should evaluate their market operational climate to recognize and capitalize on future partnerships in other industries, as well as diversify their customer base. The state should also devise policies for sustaining the growth of these two industries without jeopardizing its citizens' well-being.

Key Words – Advertisement, Consumer Behavior and Banning Advertisement.

1. CHAPTER ONE

1.1. Background of the Study

More than just creating a good product, attractively pricing it, and making it available are required in modern marketing. Companies must also communicate with its existing and potential stakeholders, as well as the public. For most firms, the decision is not whether to interact, but rather what to say, to whom, and how frequently. The showcasing interchanges incorporate advertising, deal advancement, advertising and promoting, individual deals, and direct promoting, yet astute advertisers recognize that contact extends beyond these five strategies. (Kotler & Keller, 2016)

Advertising without knowing the target customer is not practical. This is where the study of consumer buying behavior comes into place. Consumer buying behavior is studied as part of marketing, with the main purpose of understanding how people, groups, or organizations select, purchase, use, and dispose of products, as well as the factors that affect their purchasing decisions, such as prior experience, taste, price, and branding. (Kotler and Keller, 2012).

Alcohol advertisement is one of many elements that has the potential to induce adolescent drinking. Standard beliefs regarding teenage alcohol use, as well as observations of alcohol use by parents, friends, and media portrayals for young people who have not yet started drinking, affect expectations. The formation of favorable drinking expectations in children and adolescents has been connected to exposure to media portrayals of alcohol consumption, according to studies. Young individuals who respond positively to alcohol advertisements have more favorable drinking expectancies, sense higher social approval for drinking, believe that drinking is more frequent among peers and adults, and want to drink more as adults. (Anderson, 2000)

Consumer behavior, according to Georges et al. (2001), is the process and actions that people engage in when looking for, selecting, acquiring, using, evaluating, and discarding items and services that fit their needs and desires. Purchasing can be a time-consuming and methodical process that needs extensive data collecting, comparison, and evaluation.

Consumer buying behavior is mostly affected by some factors which include culture, family and brand image. On the other hand, brand awareness also helps the customer to buy a certain product. Advertisement helps the company to create the awareness in their customers and

ingredients the advertisements shape the perception of the customers either in the positive or in a negative way. People can perceive the quality of the products by gathering the information which they usually get through advertisements. The perception of the quality, awareness of the product and consumer opinion drives the consumer buying decision (Samar & Samreen, 2015)

The misuse of alcohol is a significant risk factor for ill health, injury (e.g., through violent behavior or road traffic collisions), death and social problems around the world. Advertising to promote the drinking of alcohol is widespread. Banning or restricting the advertising of alcohol has been suggested as a possible way to lower the use of alcohol in the general public and to stop young people from starting drinking at an early age. (Siegfried et al. 2014)

The Federal Democratic Republic of Ethiopia House of People's Representatives has ratified the Food and Medicine Administration Proclamation (Proclamation No. 1112/2019), which restricts smoking in public places and bans all alcohol advertisements on broadcast media, to prevent the promotion of alcohol, particularly its harmful use among the younger generation. To shift its promotional strategies, it is important to assume inevitable counteraction by the alcohol industry. A UK study showed that a ban on alcohol promotion did not result in reductions in the volume of purchases of alcohol. This may, however, be because the industry is lowering prices to maintain sales. (Girma, 2019)

This study focuses on identifying the influence of advertisement ban on the consumer behavior making with considering number of drinkers, violence and mode of advertisement as the affected factors due to the advertisement ban.

1.2. Company Profile

There are fewer than 20 beer brands in Ethiopia. Habesha Breweries is one of the top companies in Ethiopia's beverage business, having been founded in 2009 by 8,000 Ethiopian owners with a brewing capacity of 300,000 Hectoliters with a vision of reaching out and connecting with Ethiopians. impact of their advertisement on the consumers. Taking into consideration the relationship between advertisement and consumption,

Since its inception in July 2015, the company has rapidly expanded, delivering beers and non-alcoholic malt beverages to Ethiopia and 15 other countries across the world (America, Europe, Asia, Africa). The brewery, which employs over 400 people, is in Debre Birhan, but the company's headquarters are in Addis Ababa, Ethiopia's capital. In addition to its flagship brand, Habesha beer, the company offers one alcohol-free malt drink and has just introduced a second beer brand to its product portfolio.

In recent years, the Ethiopian beer market has been growing strongly and there is fierce competition between beer companies. To create loyal consumers, Habesha Breweries uses many promotional tools, such as customer engagement programs, sponsorships, and advertisements.<https://www.africaoutlookmag.com/company-profiles/1345-habesha-breweries>

1.3. Statement of the problem

Decades back the Ethiopian brewing industry was characterized by very few actors of the market, many of them owned by the government and the competition to sell or win a market share was not as stiff as it is today because the sale of the products was somewhat focusing or concentrated on the regions and around the regions where the brewing companies are located, the other reason for lesser competition was the volume of beer production was too small as compared to the demand in the market as a result it was not that usual to see as many advertisements of beer products as we see this days. After the privatization of the government owned breweries which are bought by internationally experienced brewing companies and the emergence of new beer producing companies the structure and strategy of the industry is changing in many ways which include the way the companies communicate the customer in particular how they advertise their products.

Advertising nowadays has a significant role on the sale of goods and services as it is all about influencing and inducing an urge to purchase the products and avail the services advertised.

Business houses these days spend a big portion of their budget for advertising activities (Anu & Aswathy, 2014).

According to Pickton, D. and Broderick A. (2005) advertising can be summarized as a highly convincing promotional tool which works by: Persuading customers to buy, creating and refreshing brands, differentiating between products and generating and increasing sales revenue. Notable amongst this array of critics is Ehrenberg (1988; 1979), who posits that a consumer's pattern of brand purchasing behavior is driven more by habit than by exposure to promotional messages.

A research conducted by Smith and Foxcroft to determine the influence of advertisement in alcohol consumption they found out that exposure to an advertisement affects alcohol consumption behavior. This study was conducted on young people so it cannot be generalized to all age groups.

Gossa in his study to determine the impact of advertisement on brand preference of beer products in Adama city, he found out that advertisement has an impact on beer brand preference among the target population further he conclude that television advertisement is more influential than other media. The research used only correlation and regression analysis which may impact the result and does not properly show the relationship between the variables.

Even though advertisement influences consumer behavior it is critical to know the way it affects consumers because not every advertisement creates a positive influence. Companies need to analyze the impact of their advertisement on the consumers. Taking into consideration the relationship between advertisement and consumption, the Ethiopian parliament introduced a bill called the "Food and Medical Administration proclamation" in February 2019. The bill bans alcohol promotion on broadcasting media outlets and sets the legal age for alcohol consumption as 21 years.

With the proclamation taking into action the influence of advertisement on consumer behavior is affected. This research aimed to know how the proclamation changed the relationship between the two and how the chosen company acted toward the change.

Habesha Breweries had been regularly advertising their products to enhance sales performance, as well as participating in Ethiopian charities and supporting sports, prior to this pronouncement. The company also uses radio, television, social media, and newspapers to advertise. To the best knowledge of the researcher there is no study undertaken to study the influence of advertising ban on consumer in the case of Habesha Breweries. Therefore this study

tries to bridge the theoretical and methodological gaps identified in the above mentioned researches.

1.4. The objective of the study

1.4.1. General Objective

The general objective of the study is to examine the effect of the alcohol advertising ban on beer consumer behavior in Addis Ababa.

1.4.2. Specific Objective

In addition to the main objective, the study would have some specific objectives

- To study the effect of prohibiting advertisement on beer consumption in Addis Ababa.
- To identify effective mode of advertisement

1.5. Research Questions

1. After the alcohol advertising ban, is there any changes in consumer behaviour among beer consumers?
2. What are the effective medium of advertisement?

1.6. Significance of the study

The study's findings aid beer companies, particularly Habesha Breweries, as well as legislators, by providing insight into the impact of advertising bans on consumer behavior, including why and how they affect customers. Furthermore, the study paves the way for future research into the causality of advertising prohibitions on alcoholic beverages and the point of persuasion of beer consumers. The findings of this study add to the body of knowledge about the impact of advertising on consumer behavior by exposing the extent to which advertising influences consumer purchasing behavior. Finally, the research will be used to complete Addis Ababa University's Master of Arts in Business Administration program.

1.7. Scope of the Study

This study focused only on its effect on consumer behavior. The scope of the study is limited to one specific company, i.e., Habesha breweries S.C. not only that but it analyzes and compares consumption data from that previous year of which the proclamation was not implemented to the status after the banning. The geographical scope is restricted to consumers in Addis Ababa above the age of 21.

1.8. Organization of the paper

The research is divided into five sections. The first chapter contains general information, the background of the chosen brewery, the problem statement, the research aims, the importance of the study, the study's limitations, and the research's organization. By focusing on earlier research in this sector and the study's relevance to the current reviewed literature, Chapter 2 gives insight into the relationship between the prohibition on alcohol advertising and consumer behavior. In chapter three, the study's design and methodology are discussed. It covers the research philosophy, research design, population, sample design, data collection methods, study area, and how the data is handled and analyzed. The study's findings are provided in Chapter four. Based on the study objectives outlined in chapter one, the findings of the study were analyzed and discussed. The study's findings are discussed in further depth in Chapter 5, and current literature is included into the discussion where appropriate. The chapter concluded with the organization's recommendation and the study's conclusion and results.

1.9. Definition of the terms

- **Advertising:** are messages that are paid for by the senders and are intended to inform or influence the recipients, as defined by the Advertising Association of the UK.
- **Advertising Media:** are the various advertising vehicles used by the advertiser in marketing products and services such as newspapers, magazines, television, radio, etc.
- **Advertisement Ban:** prohibition of an advertisement on media outlets by a governing body of the land.
- **Consumer behaviour:** refers to the process of individuals or groups selecting, purchasing, using, and owning items, services, ideas, or experiences that suit their needs and desires. (Solomon, 2002; Engel, 2006)
- **Societal well-being:** is an end state is characterized by equal access to and delivery of basic needs services (water, food, shelter, and health services), the provision of primary and secondary education, the return or resettlement of those displaced by violent conflict, and the restoration of social fabric and community life.

2. CHAPTER TWO

REVIEW OF RELATED LITERATURES

This chapter presents the review of literature related to the role of media, its importance for the society and business community, the production, consumption and impacts of alcohol beverage, policies, and regulations to advertising alcohol from global and local perspective.

2.1.1. Theoretical Review

2.1.2. Advertising and Consumer behavior

Consumer behavior, according to Georges et al. (2001), is the process and actions that people engage in when looking for, selecting, acquiring, using, evaluating, and discarding items and services that fit their needs and desires. Purchasing can be a time-consuming and methodical process that needs extensive data collecting, comparison, and evaluation.

Discounts or offers prominently displayed in the business might lead to impulsive purchases, which are sometimes random and impulsive. Marketers must understand the exact demands that the consumer is attempting to meet, as well as how this converts into a purchase. They must comprehend how they receive information about various brands and how they distinguish between them.

Information seeking is part of the decision-making process, consumers seek information to make decisions, the source of information can be internal (past results stored in memory) or external (colleagues, advertising, media impressions). Perception is the mechanism by which a person receives, chooses, organizes, and interprets knowledge to shape a coherent image of the world. Selective exposure, selective attention, selective comprehension, and selective retention are all part of the perception process. As a result, the advertising campaign will undoubtedly influence the perception process. (Belch & Belch, 2001).

The purchasing habits of consumers is influenced by their actions and attitudes. Many factors come together to form an individual's actions. The first factor that forms and affects consumer behavior is culture. Customers' strong impressions of goods are shaped by their culture. (hye-Shin Kim, 2008). While according to Rai, (2013), People know and have clear opinions of a variety of national and foreign brands. Because of their history, lifestyle, and surroundings, these impressions are prickled in their minds. Advertisements also play a major role in affecting

consumer behavior. Advertisements provide them with the incentive to purchase a specific product. Advertisements can also help you create confidence. When a customer is searching for product quality and costs, he is greatly influenced. Brand assessment and brand awareness will also help to improve purchase attitudes. (Rai, 2013).

Consumers all over the world are drawn to brands and goods that are emotionally linked to their actions. People prefer to identify themselves with the brand, according to studies, and emotional attachments have a significant impact on consumers and their purchasing behavior. (Samar & Samreen, 2015).

Via cognition, ads form people's behaviors. Cognition is a person's response to information transmitted by advertising. Individuals perceive these cognitions using their senses, vision, attention, memory, reasoning, language, and other means. Understanding the psychological and cognitive characteristics of customers is the best way to attract them. (Samar & Samreen, 2015)

A company's main goal is to reach out to potential customers and affect their knowledge, behaviors, and purchasing decisions. They invest a significant amount of money to keep people (markets) interested in their goods. They must consider what motivates potential customers to act in such ways to succeed. The firm's mission is to gather sufficiently relevant consumer data to create reliable customer profiles and identify a common audience with which to communicate. This entails researching customer behavior. (Arens, 1996). It's important to remember that the primary purpose of consumer behavior research is to figure out why individuals act the way they do scenarios. Proctor and his colleagues (1982).

Consumer behavior analysis aids in determining the direction in which consumer behavior can go, as well as the preferred trend of product development, the characteristics of alternative communication techniques, and so on. Consumer behavior analysis views customers as uncontrollable force manufacturing processes, as well as people who explain items or services socially and psychologically. Incorporating this knowledge into a company's decision-making process will result in increased achievement of the company's objectives. (Akwasi Ampofo 2014).

There are numerous viewpoints on how to keep earnings consistent, and the corporation will achieve this goal by adapting to the new order, which is to include customers in daily decision-making rather than simply selling them items. Companies that meet this requirement are more likely to promote their goods. (Akwasi Ampofo 2014).

2.1.3. Media and Its Roles

The broadcasting media is described by the Oxford English Dictionary as "the keyways in which large numbers of people receive information and entertainment," which includes television, radio, newspapers, and the internet. It refers to how we disseminate information such as news, music, movies, education, promotional messages, and other details. It encompasses print and digital newspapers and magazines, as well as television, radio, telephone, Internet, fax, and billboards. The term "media" was first applied to books and newspapers (print media), but with the advancement of technology, it has expanded to include television, film, radio, and the internet. Media has become an integral part of our everyday lives in today's world, and life without it is difficult to imagine. In this era of information, media has taken a central and most prominent position in creating and shaping public opinion and empowering a society. It serves as an informer, an educator, a source of entertainment, and an opinion influencer, all of which contribute to the well-being of society. In general, these days, media is widely considered as the fourth pillar of a state on top of the three traditional pillars of any state: i.e., legislative, executive and judiciary. This is because it plays a linking role between the public and any government. An American human rights activist Malcom X once said "The media's the most powerful entity on earth. They have the right to convict the innocent and exonerate the guilty, and that is power. Because they control the minds of the masses" (Great, 2017).

With the advent of social media, recent technological advancements, especially in information communication technologies (ICT), have transformed the power of media to a whole new level. Obar and Wildman (2015) described social media as a computer-based technology that allows people to share ideas, opinions, and information by forming virtual networks and communities.

As such, the social media users engage via computer, tablet, smartphone, web-based software, or web application, often utilizing it for messaging contents such as personal information, documents, videos, photos, and location.

2.1.3.1. The Role of Media for Societal Development

The media and culture are inextricably linked. These days, the media's widespread influence on culture is plain to see. Our culture, how it functions, and what it entails are reflected in the media. Our culture has seen an expansion of people's thoughts and ideas as technical advancements have occurred. Every technology, from the printing press to the most recent

smartphones, has been embraced by our society. People used to interact using sketch and print types in the past, but as time passed, the medium evolved. People today can access all information available on the internet with a single click. Various types of media aid in informing, educating, and entertaining our culture. Print media includes newspapers, books, magazines, and other publications. One of the most widely used forms of mass communication is the electronic way of disseminating information. Listeners and viewers are not only kept up to date, but they also gain a better understanding of current events thanks to radio and television. Social media has recently risen to become one of the most influential and widely used forms of communication. Social media has brought people from all walks of life together on a single forum to share their thoughts, feelings, emotions, and knowledge, among other things.

2.1.3.2. The Role of Media Advertising in Business Promotion and Marketing.

Advertising in the media plays a significant part in business promotion and marketing since it is a powerful tool for attracting and influencing customers. Katke (2007) defines advertisement as a powerful tool for influencing people's minds and exposing them to a certain product or service. Advertising, according to Morden (1991), is used to produce information about a product or service and to build a basic understanding of it in the minds of potential buyers. According to Arens (1996), advertising encompasses the communication, marketing, economic and social processes, public relations, and information and persuasion processes. Nowadays, advertising has become one of the crucial commercial activities that helps a business to survive in such the competitive globalized market. Sharing culture, customs, traditions, habits, technologies, and the likes is fast increasing across the world in a real-time. This is basically the demonstration of how the world is becoming more globalized as time goes on. In a globalized world with advanced technology, the distance between market and its customers doesn't really matter. In the present digital world, firms are hugely investing on media advertising to spread maximum information about products to influence the buying behavior of customers and determining the factors that have direct or indirect effects on buying behavior like purchasing power Chandon et al. (2000).

According to Belch et al. (2012) Advertising is the most well-known and discussed kind of promotion, owing to its pervasiveness. This is especially true for businesses whose products and services are aimed at the public. Apart from that, there are several reasons why advertising

is so crucial to many marketers. First, it can be a very cost-effective method for communicating with large audiences. Second, it can be used to create brand images and symbolic appeals for a company or brand. Effective advertising can be described as a paid form of communicating a message which is persuasive, informative, and creative designed to influence purchasing behavior or thought patterns and meets the goals that it set out to do (Colley et al. 1984).

Popularity is the aim of effective advertising (Laurie et al.,2011), which shapes the attitude and finally leads to purchase intention (Shimp, 2003). Firms use a variety of strategies to promote their goods and services, including innovative advertising advertisements, to effectively communicate their message and influence customers' purchase habits and decisions. Consumer buying behavior is the technique utilized when people or groups select, purchase, use, or dispose of goods, services, ideas, or experiences to suit their needs and preferences. (Solomon, 1995). Consumer purchasing behavior is influenced by a variety of factors, including how well companies plan and implement their business strategies. (Khaniwale, 2015). Consumers were found to prefer products advertised using familiar songs (Macinnis and Park,1991). Ads influence individual lifestyles and the degree to which an individual seeks to view himself or herself in a socially acceptable manner, as evidenced by social position and image. (Haider, T & Shadman S., 2017). In general, entertainment has been referred to as an important promotional strategy for increasing advertising efficacy and persuading people to buy something. (Madden & Weinberger, 1982).

Advertising, particularly through properly targeted media, can help any company achieve significant results such as attracting new customers, maintaining existing customers, growing sales volume, and increasing market share. Consumers are more likely to buy a brand if there is effective contact through advertising. (Belch & Belch, 2001). Advertising has a limited presence in the media because it is an important communication medium. One of the most common ideas promoted by the media, for example, is society's view of beauty and attractiveness, according to a 2009 study. Everywhere you look, you'll see beautiful slim women and handsome muscular men. And as the media's power grows, so does the demand to adhere to these values. (Russello, 2009). The most effective way to propagate photos of slim attractive women and handsome muscular men who embody sociocultural values is through the mass media. (Tiggemann, 2003). As a result, advertisement promotes social messages and lifestyles by demonstrating the ideal customer's status and stimulating consumer desire to buy. (Pollay & Mittal, 1993).

2.1.3.3. Types, Functions and Methods of Advertising

According to Sandage, 2001, there are seven types of advertising:

1. **Brand ads** – this is typically a combination of visual and textual elements. The aim of this type of advertisement is to increase customer awareness of specific brands.
2. **Commerce and retail advertising** - This form of advertisement focuses on a particular manufacturing business or product sales: it may be a service company or a store. The primary goal of commerce and retail ads is to attract potential customers by reminding them of the location and key terms of providing specific products or services.
3. **Political advertising** - one of the most prominent and the most influential types of advertising. A positive image of the politician is formed.
4. **Advertising with feedback** – This form entails exchanging data with prospective customers. The most popular approach is to send direct mail to individual recipients that are most likely to be involved in becoming a buyer (e.g., in the form of catalogues).
5. **Corporate advertising** - Such ads almost never include advertising facts (in the typical sense) and is used to prepare public opinion (a particular segment of buyers) to support the advertiser's point of view.
6. **Business advertising** - advertising that is aimed at a specific community of people who share a common career. Most of this form of advertisement is distributed through specialized publications.
7. **Public or social advertising** - Unlike commercial advertisements, it is targeted at a specific demographic, such as single mothers, childless couples, teens, and so on.

Kotler (2002) categorized the functions of advertising into four:

1. **Economical function** - The essence of advertising's economic role is to increase the amount of revenues from the selling of a specific commodity for a specific unit of time. Advertising educates people, creates a demand for a good or service, and inspires them to buy.
2. **Social function** - Advertising knowledge has a profound effect on how each person's consciousness is shaped. Consumer advertising, in addition to promoting a commodity, aids in the formation of societal ideological ideals and, as a result, influences the nature of social relations, motivating people to change their financial

situation enhances the culture of consumption. When comparing various goods and services, the buyer always chooses the best option.

3. Marketing function - The role of advertising in marketing is critical. Advertising is inextricably linked to marketing tasks, with the goal of fully satisfying consumer demands for products and services.

4. Communicating function - One of the distinct ways of communication is advertisement. It is intended to serve as an effective means of communication between advertisers and consumers using information channels.

Advertising has become a complex form of communication with various methods of disseminating messages to customers. The followings are the most common methods of advertising for different businesses.

Print advertisements/media: Is one of the oldest and most used media of advertising by businessman. It is also called press advertising and includes advertising through newspaper, magazines, journals, and the like. These are the places where you can get knowledge about current affairs, thoughts, and news. (McQuails, 2005).

Electronic Advertisements: The term "electronic media" refers to broadcast or storage media that employs electronic technology. Television, radio, the internet/online, and any other medium requiring digital information encoding through electricity are examples. In comparison to print media, the word "electronic media" is often used. (Belch et al. 2007). According to Belch and Belch (2003), Radio advertisement has several advantages over other forms of advertising, including cost and effectiveness, selectivity, versatility, mental imagery, and integrated marketing opportunities. Since radio has such a short closing period, marketers may adjust their message right up to the moment it airs, making it the most versatile among all the advertising media. Commercials for the radio may normally be created and scheduled on short notice. (Belch and Belch, 2003). Television advertising is an ideal advertising medium because it allows advertisers to create the most creative and inventive appeal of any medium by combining visual images, sounds, movements, and colors. Belch and colleagues (Belch et al., 2007). Because radio lacks visual effects, it is less successful than television. According to Abideen and Saleem (2011), television commercials are the most effective means to promote goods and services to millions of people. TV commercials have the most impact on viewers, can encourage them to begin the purchasing process, and have a significant impact on consumer views. (Jolodar & Ansari, 2011). Internet or online advertisement refers to any advertisement that is accessible via the internet. Being on the internet can be a cost-effective way to attract

new customers and reach to a global audience at a low cost. Many consumers conduct online research prior to making a purchase. Promoting products or services on social media sites, blogs, search engines, and other websites are some of the ways to advertise a company's products and services online by paid ads or to boost the search engine rankings. Mobile devices, such as cell phones, iPads, Kindles, and other internet-connected portable electronic devices, have been a dominant force in online advertisement. Current mobile advertisement patterns include extensive use of social media platforms such as Twitter, Instagram, Snapchat, LinkedIn, and Facebook, as well as WhatsApp, Telegram, and a slew of others. Online advertising, especially mobile advertising, is becoming more popular as a means of reaching out to new customers.

Outdoor Advertisement: Ad that reaches customers when they are away from their homes is referred to as out-of-home advertising. Outdoor advertising is highly successful because people spend more time outside than within their houses. Billboards and signs displayed on public transportation are examples of this form of advertisement. Of all the forms of outdoor advertising, billboards are the most popular and commonly used around the world. Billboards are typically placed along highly traveled highways. The key advantage of billboards is that they are easily visible and very cost-effective, thus making them a very effective marketing tool. Outdoor advertising is also displayed on mass transit. Out-of-home advertisements that are shown on or inside public buses, taxis, and trains are all forms of mass transit ads. Outdoor furniture that is intended for public use is often used as a form of outdoor advertising. Park benches, bus shelters, public telephone kiosks, outdoor newspaper dispensers, and other similar structures are examples.

2.1.4. Alcohol Production, Consumption, and Its Impacts

2.1.4.1. Overview of Alcohol Production in the world.

Brew, wine, and spirits are the three main categories of alcoholic beverages. Two of the three groups i.e., beer and wine are the most produced and consumed alcoholic beverages in the world. China, USA, and Brazil are the first, second and third largest producers of beer worldwide in 2017 with annual production rate of over 112 billion 12 oz, 61.4 billion 12 oz, and 39.4 billion 12 oz beers, respectively (www.alcohol.org). Only South Africa from the African countries was listed in the top 25 beer producers in the world with an annual production rate of over 9.1 billion 12 oz beers in 2017 (www.alcohol.org). The production of wine had a

different set of countries who assumed the first, second and third ranks in the world in 2017. Italy, France, and Spain were ranked the top three producers of wine in the world with annual production rate of over 5.67 billion, 4.9 billion, and 4.3 billion bottles of wine, respectively (ibid). Wise Guy Report predicted the global alcoholic beverage market to grow at a compounded annual growth rate of 4.09% for the next six years (Kindlin, 2019).

In Ethiopia, alcoholic beverage in its all forms (beer, wine, and spirit/liquor) has been increasing over the years. Liquor production increased from 5.2 million liter in 2012 to 12.3 million liter in 2019 (Feysa, H. 2019). In 2019, beer production has reached to 7 million hectoliters of beer per year and the number of brewery factories has also increased to 12 in Ethiopia (Asoko, 2020). There are two wineries in the country with a combined production capacity of almost 12 million bottles of wine per year (Dibaba, 2016).

2.1.4.2. Consumption of Alcohol and Its Impacts

A lot is written and documented in literatures on consumption of alcohol and related impacts on people's health and well-being. Despite its harmful effects, global consumption of alcohol has been increasing over the years, particularly among youth population. According to the World Health Organization (2018), total alcohol per capita consumption in the world's population over 15 years of age rose from 5.5 liters of pure alcohol in 2005 to 6.4 liters in 2010 and remained at the same level till 2016. The highest worldwide recorded alcohol consumption was in the form of spirits with 44.8% followed by beer (34.3%) and wine (11.7%). According to the WHO survey, unrecorded alcohol accounts for one-quarter (25.5%) of all alcohol consumed worldwide. – i.e., alcohol that is not included in official data on alcohol taxes or sales because it is traditionally manufactured, transported, and marketed outside of government-controlled channels.

The consumption of both recorded and unrecorded alcoholic beverages in Ethiopia is increasing at higher rate. The study by Ayano et al., (2019) suggested considerable recent increment in the magnitude of hazardous alcohol consumption in Ethiopia.

Gender, age, health status, the economic wealth in a country, lifestyle choices, religion and cultural norms have an impact on alcohol use. Such factors also influence the form in which alcohol is consumed. For instance, unrecorded alcohol is often cheaper and therefore may be more produced and consumed in low-income countries. Some countries ban alcohol use, resulting in low alcohol per capita consumption and in unrecorded consumption accounting for

a high share of overall alcohol consumption in a country. Women abstain from drinking at a higher rate than men around the world, and women who drink less than men.

Levels of alcohol consumption can be measured using several indicators. The first is the prevalence of current drinkers or abstainers in a country or area. Two of the other most important and commonly used indicators are total alcohol per capita consumption in liters of pure alcohol per person per year and alcohol consumption in grams of pure alcohol per person per day; the latter indicator can be converted from the previous one for total population or estimated per capita for the drinking population only.

Consumption of alcohol, particularly excessive drinking, is one of the risk factors for mortality and social disorder in the world. Globally, alcohol consumption causes 2.8 million premature deaths per year, out of which 75% are younger than 70 years (Ritchie and Roser, 2020). In SubSaharan Africa (SSA) alcohol is among the most significant risk factors for death and a high risk for negative sexual behaviors resulting in HIV infection. According to a study conducted among Ethiopian high school students from 2001 to 2002, about 8.9% of them drank alcohol at least once a week, although other studies among students in southern Ethiopia say that only about 1% do so on a weekly basis and a private school in Addis Ababa found a prevalence of 57.7% and 19.2% respectively year (Reda, et al., 2012). Excessive consumption of alcohol is common in sub-Saharan Africa, and it is one of the sever risk factors for diseases, injury and death including high risk of contracting HIV by affecting the behavior of the individual (Getachew, et al., 2017). Alcohol accounts for 1.8 million deaths every year, in which, it causes 3.2% of all deaths and 40% of disease burden globally (Mekonnen, 2019).

According to the latest WHO report published in 2018 the harmful use of alcohol resulted in an estimated 3 million deaths (5.3% of all deaths) globally in 2016. The effects of alcohol consumption on mortality are greater than those of tuberculosis (2.3%), HIV/AIDS (1.8%), diabetes (2.8%), hypertension (1.6%), digestive diseases (4.5%), road injuries (2.5%) and violence (0.8%). In addition to causing mortality, the report further described the effect of alcohol to a large burden of disease and injury causing 132.6 million disability-adjusted life years in 2016 (WHO, 2018). Alcohol Deaths in Ethiopia reached 1,077 or 0.17% of total deaths. The age adjusted Death Rate is 1.66 per 100,000 of population ranks Ethiopia 91st in the world (WHO, 2018).

2.1.4.3. Alcohol Advertising and Consumption Behaviors

Any non-personal presentation and marketing of ideas, products, and services by established sponsors, according to Kotler & Armstrong (2010), is a type of payment. It is the spread of information about a product, service, or idea by a marketer through various channels of communication or medium, such as newspapers, radio, television, billboards, or magazines, by a reputable source (Akanbi and Adeyeye, 2011). The marketing mix, which also includes radio, print media, sponsorship, and alcohol brand products, includes radio, print media, billboards, sponsorship, and alcohol brand products. Young people will be exposed to a great deal of positive information about alcohol, which will shape or strengthen their beliefs and values, as well as their goals and drinking habits, over time. (Dring & Hope, 2001). In general, young people tend to prefer to think and talk about events or things that excites them. Most of the time, advertisers seen taking advantage of this kind of behaviors of people when they present an advert. They usually use humor and fun to make advertisements attractive, interesting, and easy to remember. Advertisements are usually momentary when they are portrayed on TV, but they remain in people's memory for a long period. This is mainly because advertisements are depicted using pictures or videos of different social groups, social behaviors, and social settings in action. In most cases, very influential people like celebrities are usually used to portray behavior or actions. When such characters appear in product or service ads, anything depicted in the advertisements is more likely to be believable, making it easier for younger people to imitate such acts and behaviors. Austin, Roberts, and Nass (1990) emphasized that television can influence people because it contains a wealth of distorted depictions. The visual images of behavior portrayals provided by television can become one of the factors that influence behavior of individuals. The way behaviors such as fun, happiness and others, portrayed in the alcohol advertisement can encourage young people's drinking pattern.

Most alcohol advertisements include a phrase 'enjoy responsibly'. Despite the message behind the phrase, it simply means that alcohol is meant to be enjoyed.

2.1.5. Policies, Regulations, Laws, Bills Banning Advertisement of Alcoholic Products on Media Outlets.

2.1.5.1. Global Experiences

Alcohol ads and promotion must be regulated, according to the World Health Organization (WHO). The WHO Euro Region approved a Framework for Alcohol Policy for the Region in September 2005, which includes five ethical standards. (WHO, 2006). European Charter on Alcohol: the five ethical principles and goals

1. Everyone has the right to a home, community, and working life free of alcohol-related injuries, abuse, and other negative consequences.
2. Everyone has the right to accurate, unbiased knowledge and education about the effects of alcohol consumption on one's health, family, and culture, beginning early in life.
3. Both children and teenagers have the right to grow up in an atmosphere free of the adverse effects of alcohol consumption and, to the maximum practicable, from alcoholic beverage promotion.
4. Both people who use alcohol in a dangerous or unhealthy way, as well as their family members, have a right to treatment and care.
5. Both people who do not want to drink alcohol or who are unable to do so due to health or other factors have the right to be protected from alcohol-related pressures and to be encouraged in their non-drinking conduct.

With the aim to reduce the burden of harmful alcohol use, the World Health Organization (WHO, 2017) has recommended three “best buys,”

- a) Enforcing bans on alcohol advertising.
- b) Restricting access to alcohol,
- c) Increasing alcohol taxes.

The most cost-effective ways to reduce alcohol related harm is to make alcohol less available and more expensive and to prohibit alcohol advertising (Nasheeta Peer,2017). Evidence suggest that comprehensive alcohol marketing restriction are a cost-effective strategy for reducing the harmful use of alcohol if they are well enforced (Marissa B. Esser & David H. Jernigan, 2018)

According to the WHO, the strength of alcohol marketing policies varies widely across regions and countries; in 2012, nearly 40% of the 159 countries that provided information to the WHO report that they had no restrictions. In 2018, WHO reported that several countries have adopted advertising restrictions since 2012, and the majority of responding countries now have some type of restriction for all media types except Internet (48%) and social media (47%). Total bans were most common for national television (26%) and national radio (26%). As in 2012, the greatest number of countries reported no restrictions on the Internet and social media, suggesting that regulation in many countries continues to lag technological innovation in marketing. In 2016, 123 countries reported on alcohol marketing restrictions across all media and beverage types. There were complete bans on all media forms in 51 (41%) of these countries, and no regulations on any media form in 35 (28%) of them. Most countries reporting no restrictions across all media forms were in the African (17 responding countries) or Americas (17 responding countries) areas (11 responding countries).

In France, Norway, Russia, Ukraine, Myanmar, Sri Lanka, and Kenya, all alcohol advertisements on television and billboards are outlawed. In some countries, advertisements for alcoholic beverages are only allowed in media with 70% of the audience over the legal drinking age. (Such as the United States). The use of cartoon characters as spokespeople in alcohol ads is prohibited, for example. Alcohol content or results cannot be used in advertising to sell a brand. Advertising cannot promote binge drinking. Another consideration of media placement is whether media companies would allow alcohol advertisements. The owner or publisher of a media outlet has complete control about whether to approve an individual ad or a category of ads.

Malaysia outlawed the advertising of alcoholic beverages on radio and television in 1995. (Yahya, 2005). There will be no commercials for alcoholic beverages on Malaysian television before 10:00 p.m. Alternatively, during a Malay language course. Non-Malaysian newspapers and periodicals, on the other hand, may continue to promote alcoholic beverages. Supermarkets and hypermarkets are also fined if they sell alcoholic beverages from trolleys, which is difficult considering the country's official religion of Islam. After alcohol advertisements were outlawed on Malaysian radio and television, they continued to build their brands by sponsoring concerts and entertainment events.

In Singapore, alcohol advertising is prohibited from being shown during children's and youth's programming, as well as during Malay-language television. Advertising of alcoholic beverages was lawful in Indonesia until the 1990s, when it was outright banned. Advertisements for

alcoholic beverages are not permitted during family viewing time programs in Hong Kong. Advertising of alcoholic beverages is permitted in the Philippines. The words "Drink Moderately" are also featured as an alcohol notice at the end of the commercial. On January 1, 2016, the warning was changed to "Drink Responsibly." In Thailand, alcohol advertisements are still allowed, but they must be accompanied by a warning notice. Since 2006, all alcohol advertisement has been prohibited in Sri Lanka. Only after 10:00 p.m. in South Korea is public alcohol advertisement permitted.

Since January 2013, practically all Russian media (including television and billboards) have prohibited the advertising of alcoholic beverages (including television and billboards). Beer and wine advertisements have been authorized in Sweden since 2010, but not on television or radio. Alcoholic drinks with a composition of more than 15% alcohol are allowed to be advertised in non-periodic periodicals. Since January 2015, Finland's Parliament has voted to prohibit alcohol outdoor advertisements, excluding during sporting events. The Advertising Standards Authority in the United Kingdom has banned some advertisements that do not comply with the EU directive's restrictions. Since 1975, alcohol advertisement has been fully prohibited in Norway. Ireland passed legislation in November 2019 prohibiting alcohol ads near classrooms, children's play areas, public transit, and cinemas, as well as limiting the visibility of alcohol items in supermarkets. In Africa, there has been no progress in putting in place systematic alcohol regulation policies. (Nasheet Peer,2017)

2.1.5.2. Regulation in Ethiopia: Banning Alcohol Advertisement on Media Outlets

The Food and Medicine Administration Proclamation No.1112 article 74(4) that bans advert of alcoholic products through TV, radio & billboard implemented on 29 May 2019. Details of the proclamation in relation to alcohol drinks labeling, advertising and promotion are presented as follow.

Article 55: Labeling of Alcohol Drinks

- 1) The label of every alcoholic drink prepared at a factory level and provided for public use shall contain its alcoholic volume and a warning that alcohol consumption may cause health problem and women should not drink alcohol drinks during pregnancy because of the risk of birth defect.

- 2) The label of every alcoholic drink prepared at a factory level with a volume of less than 10% shall contain the product's expiration date. **Article 60: Alcoholic drink advertising and promotion**
- 1) Any advertising for an alcoholic beverage must include a disclaimer that selling it to anyone under the age of 18 is illegal.
- 2) It shall be prohibited to advertise alcoholic drinks directly or indirectly in places of public gathering and sporting: street, condominium, and other places by unreasonably decreasing the size of the warning.
- 3) Any manufacturer, importer, or distributor alcoholic drinks whose volume is more than 10% shall not directly or indirectly sponsor public and government holiday, exhibition, sports event, school event and other related youth-centered events.
- 4) It is illegal to advertise any alcoholic beverage on the board. This restriction shall be applicable on any direct or indirect advertisement that connects a brand name, emblem, trademark, logo, organizational emblem, or any other distinctive feature of alcohol product with non-alcoholic products, services, or matters.
- 5) It shall be prohibited to advertise alcoholic drink by associating it with any lottery system or through billboard. Details shall be determined by regulation or directive issued to implement this proclamation.
- 6) Additional restriction regarding the time, place, and manner of alcohol advertisement and promotion may be determined by a regulation issued to implement this proclamation.

Article 74: Effective Date

- 1) The date of publication in the Federal Negarit Gazette is the effective date of this Proclamation.
- 4) Notwithstanding to sub-article (I) of this article, article 55 of this proclamation requiring health warning on alcohol products shall come into effect after six months, and article 60 banning the advertisement of alcohol through broadcast and billboard shall come into effect after three months from the date of adoption of this proclamation the 5th day of February 2019.

2.1.5.3. Advertisements in Ethiopia: The Case of Alcohol Products

In the Ethiopian economy, advertising and trade promotion are crucial. The most common forms of advertisement are government-owned mass media outlets (radio, television, and newspapers) as well as privately-owned magazines, satellite television channels, newspapers,

radio stations, and billboards. Advertising is thought to have started in Ethiopia during Emperor Menelik II's reign in the nineteenth century. Advertisements were proclaimed using the "Negarit," a standard war-drum, at main squares and streets at the time. (Neguessie and Berhane, 2012). During Emperor Haile Selassie's reign, trade promotion and marketing saw limited development and advancement.

During Haile Selassie's reign, as well as the "Dege" administration. According to Negussie and Berhane (2012), the period between the mid-1970s and the early 1990s was marked by severe restrictions on all sorts of advertising; customer service commercials are no longer available, except for some government-censored advertisements. exist. However, advertising techniques have proliferated since the Ethiopian People's Revolutionary Democratic Front (EPRDF) won power from "Dege" in 1991. (EBA, 2010). However, without establishing socially responsible standards, this new period of widespread deregulation and liberalization ushers in an unparalleled expansion of product promotion (including alcoholic beverages) in the media (Neguessie & Berhane, 2012). The lack of extensive advertising control and the industry's underdevelopment are the primary causes of this dilemma. The Ethiopian Broadcasting Authority (EBA) took the initiative in 2010 to reorganize goods advertising in general, including rules governing alcoholic beverage promotion and media sponsorship (EBA, 2010). Because Ethiopia's advertising industry was still in its infancy and lacked seasoned professionals, the regulations governing alcohol advertising focused entirely on avoiding messages that could be interpreted as encouraging excessive consumption, claiming health/therapeutic properties, social and sexual performance, and being aware of the age of characters portrayed in advertisements (WHO-AFRO, 2010). Ethiopia only has "limited regulation" over alcohol advertising (WHO, 2004) to safeguard young people and vulnerable groups from the harmful effects of alcohol promotion. In February 2019, the Ethiopian Parliament approved a law that prohibits alcohol promotion on broadcasting media outlets, in acknowledgment of this fact and to fill a vacuum in the existing regulation.

Economic Impact Modeling of an Advertising Ban on Alcoholic Beverages

Given a lack of usable information on how the expenditure may change, the economic impact estimation is performed on the total current potential impact of the total advertising expenditure on the economy. This impact information can be 'downscaled', if needed, to estimate the potential net effect if appropriate expenditure proxies or estimates becomes available.

Most of the direct impacts will be on the broadcasting industry (television, radio, and printed media), sport (and other) sponsorships and related direct impacts on advertising agencies, production of commercial messages, printing and publishing and related manufacturing activities (of for example billboard manufacturing).

It may further be argued that there will be additional losses to the economy because of a reduction of alcoholic beverages consumption given the proposed ban.

Legal Responsibility

People who care about young people are aware of the serious problems caused by underage alcohol use. Laws and regulations have the potential to be particularly effective in reducing underage access to alcohol. Some countries have introduced a complete ban on alcohol advertising or a ban on Television advertising with other controls to tackle the negative impact of alcohol consumption by youth.

The right laws and regulations can minimize opportunities for young people to use alcohol and maximize the opportunities for effective enforcement and prevention. Age limits will only function well when the minimum age for purchasing alcohol is efficiently enforced. Enhanced enforcement seems to have an impact if the threat of suspending or revoking the license to sell alcohol is used in cases of irresponsible selling. By enforcement of legal age limits, we mean the whole of supervision, sanctions and communication used to uphold the laws on age limits for selling and serving alcoholic beverages. Many studies in developed countries show that the effect of enforcement on youth alcohol consumption is considered twofold: enforcement influences the direct availability of alcohol to adolescents, and it influences the norms, attitudes, and beliefs about the product in society. Alcohol availability and social norms/attitudes are both strong predictors of drinking behavior.

Ethical Responsibility

There is known to be a link between alcoholic beverages advertising and people's alcohol consumption, particularly those under the age of 18. As indicated above, most of the alcohol manufacturers in Ethiopia had transmitted unethical advertisements to attract the youth under 18 years old to drink alcohol and finally to maximize their profit. These related to timing of advertisements on the media and measures to review their contents; "for advertising for alcoholic drinks to have a separate channel on the media" and having guidelines to "censor alcohol advertisements before transmission to the public". In addition, "timing of

advertisements should be revised, and advertisements shall be transmitted after most children go to bed”. “Medias shall also avoid alcohol advertising in and around programs in which young people are possible audiences”. The other dimension that could help preclude young people’s exposure to alcohol advertising is to avoid filming advertisements in locations frequented by young people especially by those below 18 years of age.

Concerning sponsorships, event organizers themselves should take the responsibility: It may be youth event organizers themselves who seek sponsorship money from alcohol companies. Hence, those involved in youth organizations should have clear standards regarding alcoholic drinks in relation to the importance of youth events. Alcohol manufacturers have a responsibility to protect minors by advertising alcoholic beverages responsibly and excluding children and youth from their advertising goals. The Ethiopian government should also take appropriate measures against alcohol manufacturers that breach the No. 2 Announcement by selling alcohol within 100 meters of childcare centers, schools, medical or historical institutions, cinemas or theaters, or stadiums. Adopt the proper course of action. 759/2012.

2.2. Empirical Review

Several research on the impact of alcohol advertisement on alcohol intake have been conducted in the last 25 years. The impact of advertising spending and the advertising van has been measured in these studies. Most of this research include national spending as an advertising variable, yet there is minimal evidence that alcohol advertisements enhance consumption. Alcohol consumption is influenced by study that uses transversal advertising data and research on alcohol vans.

A simple economic model of advertisement can explain these contradicting consideration outcomes. This model posits that the industry's reaction function is affected by the reduction of the limit product. The AD response function is linked to the advertising message or consumption or sales revenue expenses. Reaction Function in Advertising In general, the level of company should be done in practically all advertisements (ie, Rao and Miller 1975, Stewart 1989, Lodish et al.1989). Advertising promotes sales, which becomes an objective of lowering the limit product at the level of the Signature of the Research Agreement. All other stable-level sales decision criteria, such as competitors and product prices, are maintained by the company's ad-level function functions. New revenues generated by advertisements come from two sources for our company. For starters, new sales will boost the market share of customers who would

have bought a competitor's product. Second, new sales, either those who have never purchased a product before or those who have purchased a product from someone who has increased the market size. The rigid-level response functions are added to provide the industry-level response functions. At the industry level, ADS can boost revenue by expanding the market.

Saffer (1991) and Young (1994) are the two earlier prohibition studies that are most relevant to this topic (1993). The impact of prohibiting the conveyance of alcoholic beverages on alcohol abuse was investigated by Saffer (1991). The data utilized in this study are time series aggregated from 17 nations between 1970 and 1990. The empirical findings suggest that banning alcohol advertisements has a major influence on lowering alcohol intake. In research funded by the alcohol business, Young (1993) remarked on Saffer (1991). Young reanalyzed the data used in Saffer (1991) and was able to replicate the results (1991). Young (1993) brings up two points: sequence correlation's potential and the endogenous character of advertising bans. Young did not follow the serial calibration technique correctly, according to Saffer (1993). Young also didn't offer any endogenous deviation adjustments. The analysis that follows is aimed at resolving these issues.

Bournvita is one of the leading beverages in the Nigerian food and beverage industry, according to a study done in southwestern Nigeria to investigate the influence of advertising in influencing consumers' preferences for Bournvita. The findings reveal that advertising has an equal impact on men and women of various ages in terms of brand choices. As a result, a high preference for advertising is particularly crucial for organizations that wish to retain market share and take active measures to grow market share (Adeolu, 2005).

2.3. Conceptual Framework

As per the literature review made in this chapter the following conceptual frame work is developed by the researcher which tries to show that consumer behavior is influenced by alcohol drinker number, mode of advertisement and alcohol induced violence.

Figure 1 Conceptual framework



Source: Own study

2.6.1 Hypothesis of the Research

Form literature review as well as author's intuition, the following hypothesis for the research questions that are raised:

H1: Alcoholic drinker number has a significant effect on a consumer behavior.

H2: Violence has a significant effect on a consumer behavior.

H3: Mode of Advertisements has a significant effect on a consumer behavior

3. CHAPTER THREE

3.1. Research Methodology

3.1.1. Research design

This study would attempt to identify the link between the prohibition of alcohol advertising and the behavior of customers. This addresses typical causal relationships between variables, perhaps causing a change in another variable by a change in one variable. Being a causal-type study and the primary objective of the study is to assess the effect of alcohol advertisement ban on beer consumer's behavior.

3.1.2. Research Approach

Based on the type of data it employs, research can follow quantitative, qualitative, and mixed approaches. Quantitative research is used in research that has measuring and counting attributes. The approach involves the generation of data in quantitative form which can be subjected to rigorous quantitative analysis in a formal and rigid fashion (Kothari, 2004). So, the study would adopt a quantitative approach to examine the relationship using statistical procedures between identified variables and a cross-sectional explanatory survey research design in nature would be applied in this study. It is also often concerned with finding evidence to either support or contradict a hypothesis that contains concepts to be measured. Hence, the study found the approach appropriate to investigate the relationship between the variables in line with the main aim of the research which would be testing the developed hypothesis.

3.1.3. Target population and sampling methods

The study used a sample of individuals defined as beer consumers living in Addis Ababa City (above 21 years of age) within the target population. The study used a convenient sampling technique to select respondents.

3.1.4. Sample size

The following sampling formula for infinite population have been used to come up with the sample size.

$$n_0 = \frac{z^2 pq}{e^2}, \text{ where}$$

n_0 -Sample size

Z – z value at specified confidence interval, e.g., z=1.96 at 95% CI_[SEP]

p – Degree of variability (0.5)

q – Q=1-p (0.5)

e – Desired level of precision (±5%)

Which is correct when n₀ is the sample size, Z₂ is the abscissa of the normal curve that cuts off a region at the tails (1 –) equals the desired confidence level, e.g., 95 percent), e is the desired level of precision, p is the approximate proportion of an attribute that is present in the population, and q is 1-p. Z's value can be found in statistical tables that show the region under the normal curve.

To illustrate, it would be assumed there would be a large population that we didn't not know the variability in the proportion that adopted the practice; therefore, assumed p=.5 (maximum variability). Furthermore, it would be desired to have a 95% confidence level and ±5% precision

$$n_0 = \frac{z^2 pq}{e^2} = \frac{(1.96)^2 (0.5) (0.5)}{(0.05)^2} = 384.16 \approx 384$$

3.1.5. Source of data

The research method used both primary and secondary data. A questionnaire prepared for the respondents that has been gathered with the help of enumerators is the main primary data used in the research. Readers will find a copy of the questionnaire in the Appendix section. For additional insight, secondary data, the company sales data from their annual financial reports have been reviewed to assess the sales revenue before and after the advertisement ban.

3.1.6. Method of data analysis

The goal of analysis is to create a kind of empirical model in which relationships are meticulously uncovered so that relevant conclusions may be formed. Zikmund is a character in the movie Zikmund (2003). The data must be analyzed using statistical approaches such as descriptive statistics, correlation, and linear regression due to the quantitative character of the study.

The data was entered into SPSS version 20 and then checked for mistakes and inconsistencies before being analyzed. Text, tables, and figures have been used to present the study's findings.

3.1.7. Reliability of the instrument

Reliability refers to the degree to which an instrument is tested in the same way each time under the same conditions and with the same item. The essence of dependability is consistency.

That instance, if we measure something multiple times and get the same result each time, we may argue that our measuring device is trustworthy (John et al., 2010).

The internal consistency demonstrated by the visible signs of each structure employed in the study is referred to as reliability. The internal consistency of the measurement structure of Cronbach's alpha should be evaluated, according to Barclay and colleagues (1994), with a minimum threshold of around 0.70. (Hair et al. 1998). Cronbach Alpha will be calculated for all factors as a result. Cronbach's alpha will be between 7.05 and 7.73 in almost all builds. As a result, all structures will be considered as trustworthy for investigation.

Cronbach's Alpha	Number of items
.836	17

Table 1: Reliability Statistics Result (Source: own survey, 2021)

3.1.8. Validity of the instrument

Validity is how the strength of our conclusions, inferences or propositions are. It implies that we measure the degree to which we should measure, or more simply, the precision of our measurement (John et al., 2010). The items of the questionnaire used previous research (Sharma, K. & Das S, 2017) and (Ali, S. et al., 2018) and were reformulated to fit the investigation.

3.1.9. Ethical Consideration

The information gathered was used solely to determine the direct association and causal impact of the prohibition on alcohol advertising on beer consumption in Addis Ababa. Furthermore, the researcher is solely responsible for overseeing the entire study process and must adhere to all association and university policies. There would be no way for any individual or organization to move it. The study will be performed in compliance with the university's guidelines, laws, and regulations. The way of a successful design, modes of data collection, data processing, and proper distribution follow the four stages of ethics in doing research. Prior objectives and motive of the research would be intimated. There shall be no misinterpretation or misuse of the data collected from the organization.

CHAPTER FOUR

RESULTS AND DISCUSSION

4.1. Introduction

The following is a general outline for this chapter: It comprises measures' reliability assessments, as well as presenting and evaluating demographic data from respondents. To make empirical analysis easier, present the descriptive analysis results first, followed by the Pearson correlation coefficient values.

4.2. Samples and response rate

A total of 384 questioners were distributed, and 379 were received back. After excluding 14 invalid questionnaires, a total of 365 valid questionnaires were accepted for a response rate of 98.69%. Therefore, out of the 384 questionnaires distributed, 95.05% of the subjects returned valid questionnaires.

4.3. Demographic profile of respondents

Three demographic background information acquired during the questionnaire survey was used to classify the samples in this study. The demographic analysis in this study is used to describe the sample's characteristics, such as the number of respondents, the proportion of men and women in the sample, the respondents' age range, and their educational backgrounds. Table 4.1 on the following page summarizes the demographic makeup of the respondents.

The data shows that most of the customers are between the ages of 30 and 39. (42.5 percent). Males made up most of the participants (52.9%), while females made up 47.1 percent. Furthermore, bachelor's degree, master's and above degree, and diploma holders led the academic qualifications of the respondents, accounting for 34.5 percent, 29.0 percent, and 28.8 percent, respectively.

		Frequency	Percent	Cumulative Percent
Gender	Male	193	52.9	52.9
	Female	172	47.1	100.0
	Total	365	100.0	
Age Group	18-29	142	38.9	38.9
	30-39	155	42.5	81.4
	40-49	37	10.1	91.5
	50 and above	31	8.5	100.0
	Total	365	100.0	

Academic Qualification	Certificate and below	28	7.7	7.7
	Diploma	105	28.8	36.4
	Bachelor's degree	126	34.5	71.0
	Masters and above	106	29.0	100.0
	Total	365	100.0	

Table 2: Percentage of respondents by age categories and gender (source: own survey data,2021)

4.4. Frequency of drinking alcohol

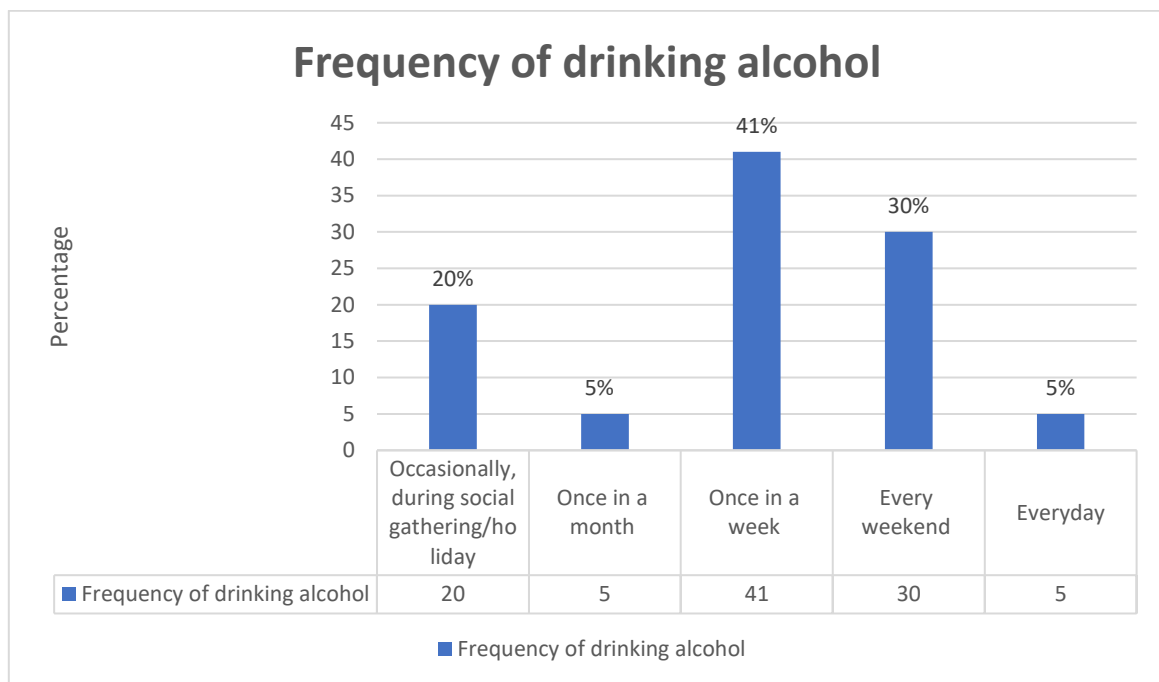


Figure 2: Frequency of drinking alcohol (source: own survey data,2021)

Those respondents who reported that they drink alcohol. The vast majority i.e., 71% drink alcohol at least once in a week and out of this 150 (41%) said that they drink every weekend, which implies the practice of drinking alcohol more than once a week for significant percentage of the sample respondents. However, only a few, not more than 22 (5%) respondents reported that they drink alcohol every day.

4.5. Change in alcohol drinking practice

Nevertheless, alcohol drinking practice of the majority decreased (70%) over the past one years. And the practice remained the same for 25% and increased only for 5% during the same period.

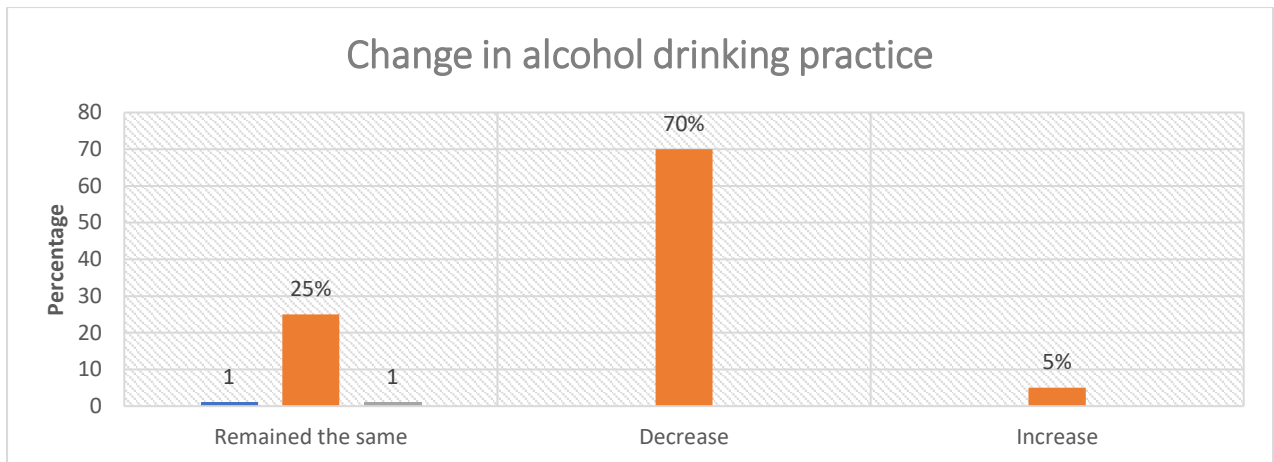


Figure 3: Change in alcohol drinking practice among the public. (source: own survey data,2021)

4.5.1. Reasons for decreased/increased/remained the same of Alcohol Consumption

Corona (COVID-19), not wanting to drink alcohol regularly, Personal need, Health consciousness, and Cost were among the key reasons for the “decreased” or “remaining the same” habit of drinking alcohol over the previous year for 25 percent, 43 percent, 13 percent, 10 percent, and 4 percent respondents, respectively.

On the other hand, Variety of beer increased, working in alcohol beverage manufacturing company, Enjoyment and Adaptation were equally important reasons for increased drinking habit during the last one year.

Table 3: Reasons for decreased/increased/remained the same of Alcohol consumption

Reasons for decreased/increased/remained the same					
Reasons for Decreased and Remain the same			Reasons for Increased		
	Freq	%		Freq	%
Corona	92	25%	Variety of beer increased	5	1.42%
Not wanting to drink alcohol regularly	156	43%	Working in alcohol beverage manufacturing company	3	0.83%
Personal need	47	13%	Enjoyment	9	2.5%
Health consciousness	36	10%	Adaptation	1	0.27%
Cost	14	4%			
TOTAL	345	95%	TOTAL	18	5%

Source: Own Survey Data (2021)

4.5.2. Awareness on banning alcohol advertising

According to the public survey, 334 (91.6%) of the respondents have reported that they are aware of the bill. The remaining 8.4% of the total respondents have no idea about the bill.

Table 4: Public awareness about the bill that bans alcohol advertising on media outlets.

	Freq	Percent
Yes	334	91.6%
No	31	8.4%

Source: Own Survey Data (2021)

4.6. Descriptive statistics of the level of agreement of the respondent's Perception towards different variables of the research

To create a rank, researchers employ item-by-item rating scales. This range will be used to determine the respondent's perception of each variable. To create the range, researchers utilize the formula below (Shrestha, 2015).

The researchers used the average score for each variable in this study's analysis, which was done using descriptive statistics or central tendency. The primary purpose of this measure is to display the average of the respondent's responses to each question in each dimension of the predictor variable, as well as to calculate the total average of each dimension. Finally, the overall average value of each independent variable is utilized to interpret the data to meet some of the study's objectives.

Itemized rating scale: $\frac{Max - Min}{5}$

$$= \frac{5 - 1}{5} = 0.80$$

The mean of each individual item ranging from 1- 5 falls within the following interval:

Interval of Means	Perception
1.00 – 1.80	Strongly Disagree
1.81 – 2.60	Disagree
2.61 – 3.40	Neutral
3.41 – 4.20	Agree
4.21 – 5.00	Strongly Agree

4.6.1. Customers' Perception on the number of alcohol drinkers

This component of the survey examined respondents' attitudes and perspectives on the advertising prohibition on alcoholic beverages. The respondents were handed a sequence of three statements, and they were asked to rate their level of agreement with each statement. Table 4.3 shows the mean and standard deviation of each item.

According to the data illustrated below, respondents agree that Number of people drinking alcoholic beverage decreased in your family over the past one year (December 2019 -December 2020) with mean score of 4.09. Respondents also agree that Number of people drinking alcoholic beverage decreased in your village/neighborhood over the past one year (December 2019 - December 2020). with mean score of 4.07. Respondents have agreeing attitude towards Number of people drinking alcoholic beverage decreased in the city over the past one year with mean score of 4.00. The general average of the perception of the prohibition of alcoholic beverage advertising is 4.05, which indicates that most respondents agree with the stated contract level specified in the study.

Table 5: Customers' Perception on the number of alcohol drinkers

	Mean	Std. Deviation
<i>Number of people drinking alcoholic beverage decreased in your family over the past one year (December 2019 -December 2020).</i>	4.09	.724
<i>Number of people drinking alcoholic beverage decreased in your village/neighbourhood over the past one year (December 2019 - December 2020).</i>	4.07	.764
<i>Number of people drinking alcoholic beverage decreased in the city over the past one year (December 2019 -December 2020).</i>	4.00	.802
<i>Overall perception on advertisement bans on alcohol drinks</i>	4.05	0.763

Source: Own Survey Data (2021)

4.6.2. Customers perception on violence related to alcohol consumption

This section of the survey measures respondents' attitudes and beliefs about alcohol-related violence. Respondents will be shown a sequence of three statements and asked to rate how much they agree with each one. Table 4.4 indicates the mean and standard deviation for each item.

According to the illustrated data regarding the perception of respondents on Alcohols induced violence decreased in your family over the past one year (December 2019 -December 2020) with mean score of 4.09. Respondents also agree that Alcohols induced violence decreased in your village/neighborhood

over the past one year (December 2019 - December 2020) with mean score of 4.09. Furthermore, respondents have an agreeing attitude to banning alcohol advertisement on broadcasting media outlets resulting in positive behaviors of youth in your community with mean score of 4.14. The overall average perception of drinking-related violence was 4.11, indicating that most respondents agree with the statement specified in the study.

Table 6: Customers perception on violence related to alcohol consumption

	Mean	Std. Deviation
<i>Alcohols induced violence decreased in your family over the past one year (December 2019 - December 2020).</i>	4.09	.857
<i>Alcohols induced violence decreased in your village/neighbourhood over the past one year (December 2019 - December 2020).</i>	4.09	.888
<i>In general, banning alcohol advertisement on broadcasting media outlets positively affected behaviours of youth in your community.</i>	4.14	.728
<i>Overall perception regarding alcohol induced violence</i>	4.11	.824

Source: Own Survey Data (2021)

4.6.3. Customers perception on mode of advertisement

This part of the questionnaire assesses attitudes and views on advertising models. Respondents will see a series of three statements and ask them to rate their level of agreement with each statement. Table 4.7 shows the average and standard deviation of each item.

The data shown in Table 4.7 shows that respondents have a positive attitude towards advertising in the media, and the advertising played affects my purchase intention, with an average score of 3.94. They agree to a certain extent that advertisements broadcast on TV can affect my purchase intention more than advertisements broadcast on other media with an average score of 3.91. In addition, the respondents agreed that advertisements on banners and billboards have a greater impact on my purchase intention than advertisements on other media, with an average score of 4.06. The general average of the perception of the advertising model is 3.97, which indicates that most respondents are at a semi-neutral level of agreement and agree with the statement specified in the study.

Table 7: Customers perception on mode of advertisement

	Mean	Std. Deviation
An advertisement aired in media where so many advertisements are aired influences my purchase intention	3.94	.773
An advertisement aired in television influences my purchase intention more than an advertisement aired in other media	3.91	.893
An advertisement transmitted in a banner and billboard influences my purchase intention more than an advertisement aired in other media	4.06	.768
Overall perception on mode of advertisement	3.97	.811

Source: Own Survey Data (2021)

4.6.4. Customers' Perception on purchase decision

This section of the questionnaire tested the attitude and views on purchasing decisions. Seven statements were submitted to the respondents, and respondents were asked to evaluate the level of contract with each statement. Table 8 shows the average and the standard deviation of each item. The data shown in Table 8 indicates that the respondent has a neutral matching level for ads that use music to send a message. I am affected with the average score of 3.68 increase. They also agreed to buy beer drinking, which has been affected by beer announcements with an average score of 3.90. In addition, respondents agree that the intention to buy beer drinks is affected by the price of beer with an average score of 4.06. Respondents also point out the purchase intention of drinking beer. It is influenced by the availability of beer with the average score of the average score. In addition, the intention to buy beer drinking is influenced by the quality of beer, and the prohibition of alcoholic announcements helps reduce alcohol consumption with the average score of 3.96 and 4.19. For beer ads, provide more information about the brand with an average score of 3.68. The general average of recognition for the intention of purchase, shows 3.93, and most of the respondents indicate that it is directed to a neutral contract with the statement specified in the study.

Table 8: Customers' Perception on purchase decision

	Mean	Std. Deviation
An advertisement which uses a music to transmit the message influence me more	3.68	1.240
My purchase intention to drink a beer is influenced by beer advertisements	3.90	.935
My purchase intention to drink a beer is influenced by the price of the beer	4.06	.730
My purchase intention to drink a beer is influenced by the availability of the beer	4.07	.814
My purchase intention to drink a beer is influenced by the quality of the beer	3.96	.951
The alcohol advertisement ban helps me to decrease alcohol consumption	4.19	.649
Beer advertisements gives me more information about the brands	3.68	1.249
Overall perception regarding purchase intention	3.93	.938

Source: Own Survey Data (2021)

4.7. Correlation analysis: relationship between the study variables

In this study, the Pearson correlation coefficient was used to determine whether there is a significant relationship between alcohol-related violence and advertising methods. Pearson's coefficient of correlation is the most widely used method of measuring the degree of relationship between two variables. This coefficient assumes there is linear relationship between the two variables; that the two variables are casually related (Kothari, 2004).

The following section presents the results of correlation on the relationship between independent variables and dependent variable. Table 4.10 below indicates that the correlation coefficients for the relationships between independent variables (alcohol related violence and mode of advertisement) and its dependent variable (alcoholic drink purchase) are linear and positive ranging from moderate to strong correlation coefficients.

Table 9: Correlations

		Purchasing Decision
Violence	Pearson Correlation	.496**
	Sig. (2-tailed)	.000
	N	365
Mode of Advertisement	Pearson Correlation	.741**
	Sig. (2-tailed)	.000
	N	365
Purchasing Decision	Pearson Correlation	1
	Sig. (2-tailed)	
	N	365
** . Correlation is significant at the 0.01 level (2-tailed).		

Source: Own Survey Data (2021)

As it is clearly indicated in Table 4.10, a moderate to strong and positive relationship was found between alcohol related violence and beer purchase ($r = .496$, $p < .05$), mode of advertisement and beer purchase ($r = .741$, $p < .05$).

4.8. Multiple Linear Regression

4.8.1. Assumptions Testing in Multiple Regression

The essential assumptions must be maintained to retain the validity and robustness of the data from the study regression results under the multiple regression model. As a result, hypothesis tests such as multicollinearity, contour lines, autocorrelation, homoscedasticity, linearity, and normality were used in this investigation.

4.8.1.1. Sample size

Different authors tend to give different guidelines concerning the number of cases required for multiple regressions. Tabachnick and Fidell (2001) give a formula for calculating sample size requirements, considering the number of independent variables to use: $N > 50 + 8m$ (where m = number of independent variables). In this study four independent variables had existed, and cases were 384. Therefore, the study satisfied sample size assumption.

4.8.1.2. Multi Collinearity

Check for multicollinearity by looking at the correlation between the model variables. The independent variable is related to the dependent variable in some way (preferably greater than 0.3). In this scenario, all the scales (independent variables) are significantly associated to alcoholic beverage purchase

decisions ($r = .496$ and $r = .741$, respectively). As part of the multiple regression technique, the tolerance and variance inflation factor (VIF) are used to diagnose variable collinearity. Tolerance indicates that the variability of the specified independent variable cannot be explained by other independent variables in the model. If the value is very little (less than 0.10), it means that the multiple correlation with other variables is substantial, implying that multicollinearity is a possibility (Pallant, 2010). The variance inflation factor (VIF) is just the tolerance value's reciprocal (1 divided by the tolerance). According to Pallant (2010), a VIF value more than 10 indicates the presence of multicollinearity, which is an issue. The results reveal that each independent variable's tolerance values are within acceptable limits (0.644, 0.396, and 0.325). As a result, the multicollinearity assumption is not broken. This is also consistent with the VIF values of 1,552, 2,527, and 3,077, all of which are significantly lower than the cut-off number of 10.

Table 10: Multicollinearity test

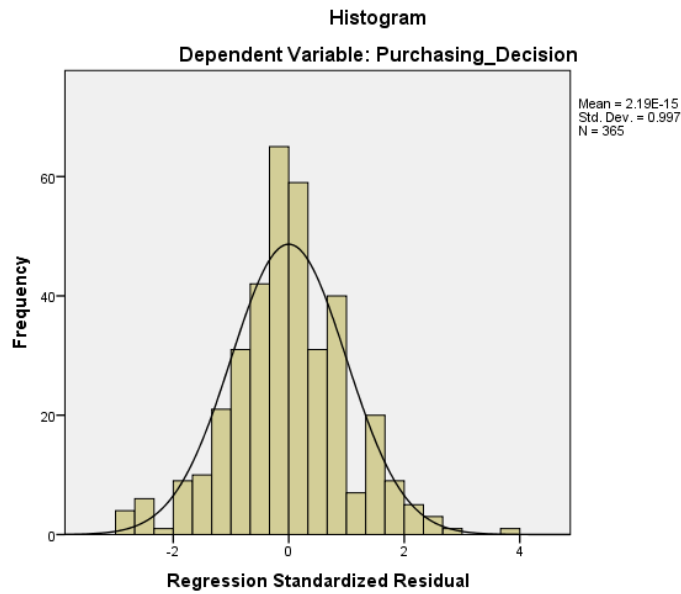
	Tolerance	VIF
Alcohol related Violence	.644	1.552
Mode of advertisement	.396	2.527
Purchase decision	.325	3.077

Source: Own Survey Data (2021)

4.8.1.3. Normality and Linearity

The residual scatter plots and normal probability plots of the regression standardized residuals, which are included in the study, are one approach to validate these assumptions. These are displayed on the standardized regression residual plot's normal PP plot. The point will be on the diagonal of a decent straight line from the lower left corner to the upper right corner on a normal probability graph. This demonstrates that there is no major variation from the norm. Finding the normal graph $P = P$ demonstrates that the normality assumption is not broken.

Figure 4 : Normality Test



Source: Own Survey Data (2021)

To assess normality, the researchers utilized two methods: a normal probability diagram (PP) graph to illustrate it graphically, and skewness and kurtosis to display it numerically. The scores are regularly distributed, as seen in Figure 4.1.

The skewness value indicates the symmetry of the distribution, whereas the kurtosis value indicates the sharpness of the apex of the frequency distribution curve. The skewness and kurtosis values for properly distributed variables are zero, and any non-zero value shows divergence from normality (Hair, 2010). The most widely accepted value of the distribution (kurtosis/skewness) is 2.58, according to Hair (2010). Therefore, it can be seen from the table below that the kurtosis and skewness values of the variables are within the range.

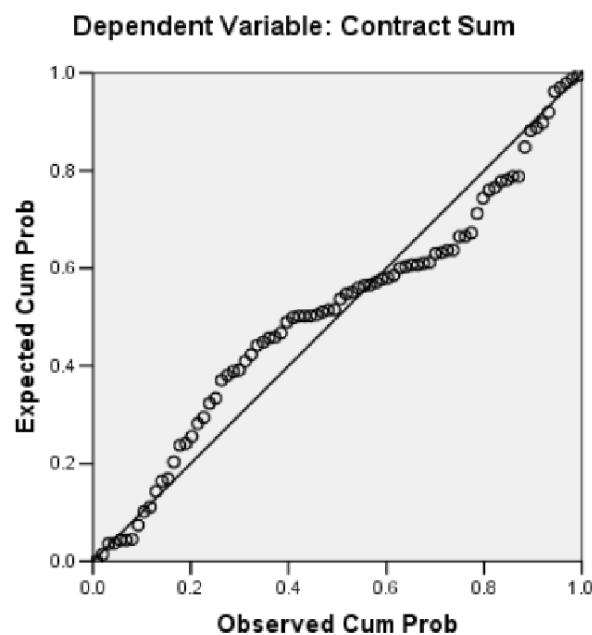
Table 11: Skewness and Kurtosis

	N	Mean	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
Alcohol related Violence	365	4.0530	-.817	.128	.254	.255
Mode of advertisement	365	4.1041	-1.141	.128	1.341	.255
Purchase decision	365	3.8452	-.458	.128	.402	.255

Source: Own Survey Data (2021)

Linearity determines the dependent variable, as a linear function of the independent variable. If the relationship is linear, standard multiple regression can only correctly estimate the relationship between dependent and independent variable. According to Keith, (2006) is linearity is violated, all regression results can be skewed, including regression coefficients, standard errors, and statistical significance checks. This study conducted curve estimation for all the relationships in the model and all the relationship were sufficiently linear to be tested.

Figure 5 : Linearity Test



Source: Own Survey Data (2021)

4.8.2. Multiple Regression Analysis

Multiple regression analysis is used to test the influence of consulting sales (alcohol-related violence and advertising patterns) on purchasing decisions.

Table 12: Model Summary

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.788 ^a	.621	.618	.37965
a. Predictors: (Constant), Mode of Advertisement, Violence				
b. Dependent Variable: Purchasing Decision				

Source: Own Survey Data (2021)

The regression model presents how much of the variance in the measure of sales performance is explained by the diversification elements. The predictor variables i.e., alcohol related violence and mode of advertisement have accounted 61.8% of adjusted R square which indicates 61.8% of beer purchase decision was explained by the variation of the six predictor variables.

Table 13 : significance levels

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	.473	.190		-2.488	.013		
	Alcohol induced violence	.313	.041	.286	7.589	.000	.644	1.552
	Mode of advertisement	.396	.046	.413	8.587	.000	.396	2.527

Source: Own Survey Data (2021)

The significance levels for all independent variables are less than 0.05. This indicates that there is a strong positive and significant relationship between the independent variables (Alcohol Induced Violence, mode of Advertisement) and dependent variable (beer purchase decision). The standardized beta value for mode of advertisement is 0.413. This indicates that mode of advertisement has relatively strong degree of importance for beer purchase decision.

$$BC = \alpha + \beta_1 (AIV) + \beta_2 (MA) + e$$

$$BC = 0.473 + 0.286AIV + 0.413MA + e$$

Were,

CS = Beer purchase decision

AIV = Alcohol Induced Violence

MA = Mode of Advertisement

Table 14 : ANOVA

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	92.342	6	15.390	122.021	.000 ^b
	Residual	45.154	358	.126		
	Total	137.496	364			
a. Dependent Variable: Beer purchase decision						
b. Predictors: (Constant), Alcohol induced Violence and Mode of advertisement						

Source: Own Survey Data (2021)

(F) Value is (146.458) at 0.000 which states that there is statistically significant effect of variables on beer purchase decision

4.9. Data

We apply the model to the Ethiopian market for beer. We use two sources of data - transaction level purchase data from market research firm H3YS, and advertising data from Maldives Promotion.

4.9.1. Purchase data

The purchase data are from the Kantar World Panel for the period December 2019 - December 2020. For each household we observe *all* alcoholic beverages purchases made and brought into the bars. We refer to these as “alcoholic beverages at bars” purchases. We also use a sample of individuals drawn from these households that record all alcoholic beverages purchases made for consumption “on-the-go”. We refer to these as “alcoholic beverages on-the-go” purchases. Alcoholic beverages at bars purchases are made for future consumption (the product must be taken back bars to be recorded), while alcoholic beverages on-the-go purchases are made for immediate consumption. Individuals participating in the on-the-go panel include both adults and children aged 18 or older.

We use information on households (for alcoholic beverages at bars) and individuals (for alcoholic beverages on-the-go) that we observe purchasing beer at least once over December 2019 - December 2020. We use information on 2872 households and 2306 individuals.

A purchase occasion is defined as a week. For the alcoholic beverages at bars segment this is any week in which the household records buying groceries; when a household does not record purchasing any beer for bars consumption, we say it selected the outside option in this segment. Beer is purchased on 41% of alcoholic beverages at bars purchase occasions. For the alcoholic beverages on-the-go segment a purchase occasion is any week in which the individual records purchasing any alcoholic beverages on-the-go; when an individual bought alcoholic beverages on-the-go, but did not purchase any beer, we say they selected the outside option. Beer is purchased on 27 % of alcoholic beverages on-the-go purchase occasions. We use information on 161,513 alcoholic beverages at bars purchase occasions and 99,636 alcoholic beverages on-the-go purchase occasions. From other data we know that 14% of beer are bought on-the-go, with the remaining share purchased for alcoholic beverages at bars (Living Cost and Alcoholic beverages Survey).

4.9.2. Advertising data

We use advertising data collected by Maldives Promotion. We have information on advertising expenditure by brand and month over the period 2019-2020. The information on earlier periods allows us to compute advertising stocks, considering a long period of prior advertising flows. For each brand we observe total monthly advertising expenditure, including expenditure on advertising appearing on

TV, in press, on radio, on outside posters and on the internet. Advertising is at the brand level; it does not vary by pack size.

Habesha spends the most on advertising. The most advertised brand is Habesha beer with on average ETB 450,000 expenditure per month. Habesha beer also has the highest market share. Advertising expenditures varies a lot across brands, but also across months within a brand. All brands advertising strategies include some periods of zero advertising expenditure. Some brands exhibit advertising expenditures that are always close to zero, meaning that for these brands the stock of advertising is always very low.

Advertising in the Ethiopian beer market has very little informational content. The typical adverts show a star or a model drinking beer.

4.9.3. Counterfactual analysis of advertising ban

We first discuss the impact of an advertising ban on market equilibrium. These numbers are robust to whether we view advertising as informative about product characteristics, a characteristic, or as persuading consumers to make suboptimal choices. We then discuss the impact of the ban on welfare, where the conclusions dependent on which view of advertising is adopted.

4.9.3.1. Impact on market equilibrium

Table 15 presents a summary of the overall impact of an advertising ban on total monthly expenditure on beer, the total quantity of beer sold and total variable profits. The first column shows the average of each variable across markets prior to the ban, the second column shows numbers following the ban when prices are held constant, and the final column shows numbers in the post-ban equilibrium when firms are allowed to optimize their prices.

Table 15: Effects of a ban on advertising

	Pre ban	With firm response
Expenditure (ETB m)	201.54	172.06
% Change		-14.63
Quantity (m litter)	30.01	28.37
% Change		-5.48
Profits (ETB m)	88.17	75.12
% Change		-14.80

Prior to the ban total monthly expenditure on beer was ETB202m and total quantity sold was 30 m litter. The impact of the ban if we hold prices constant is to induce a 19% fall in expenditure and a 22% fall

in quantity sold. The impact differs when we account for the fact that oligopolistic firms will respond to the advertising ban by adjusting prices. In equilibrium, expenditure falls by 15% but total quantity sold falls by only 5 %.

When prices are held at their pre ban level the ban leads to fall in the quantity sold and variable profits of each firm in the market. In the counterfactual market equilibrium, all firms (except for Tesco) reduce their average price. The biggest advertisers, St. George, Habesha and DASHEN, reduce their prices the most. In equilibrium, all firms still experience a reduction in variable profits relative to the pre ban case, but unlike the other firms, Habesha, the largest firm in the market, sells more than prior to the ban. This is, in part, driven by the fact that Habesha responds to the ban by aggressively lowering the prices of its most popular brand, Habesha beer. Habesha is the only firm that benefits from the post-ban optimization of prices, in the sense that it sees a lower fall in variable profits when firms are allowed to optimize prices compared to when prices are held at their pre ban level. For other firms in the market the opposite is true. Habesha’s variable profits fall by less in percentage terms than the smaller firms operating in the market.

In Table 16 we summarize the impact of the advertising ban on the amount of beer the average consumer purchases in a year, and on the average nutrient profiling score of these purchases. The table separates purchases made for alcoholic beverages at bars, and purchases made on-the-go for immediate consumption. In the alcoholic beverages at bars segment banning advertising reduces the quantity of beer that households buy, and it leads them to switch to healthier products. The impact of firms’ pricing response is to mitigate the reduction in quantity, but to reinforce the switch to healthier products within the market. In the alcoholic beverages on-the-go segment the ban also leads to a reduction in beer purchases and a switch to less unhealthy brands. But in contrast to the alcoholic beverages at bars segment, it is the price response of firms that is crucial in driving the fall in quantity (as prices for products available for alcoholic beverages on-the-go rise on average).

Table 16: Impact of ban on consumers’ annual beer purchases

Pre ban	Alcoholic beverages at bars	Alcoholic beverages on-the-go
Quantity (litter per year)	7.21	0.52
% Change in quantity	-25.16	1.04
% Change in quantity	-5.24	-6.58

4.9.3.2. Impact on welfare

Table 4.14 summarizes the impact of the ban on welfare. Compensating variation depends on the perspective one takes about advertising. As discussed in Section 4.1.2, advertising in the Ethiopian beer market does not contain much informative content, so we argue that it is reasonable to think of advertising either as a product characteristic that is valued by the consumers (and therefore enters the

utility function), or as acting to distort consumer decision making. In Section 2.2 we outlined how these alternative views of advertising can be accommodated in our model when making statements about changes in consumer welfare. We report welfare numbers under the two extreme scenarios that advertising is only a characteristic, or that its only role is to distort choices as made clear in Section 2.2 it is straightforward to accommodate intermediate possibilities. Conclusions about whether the advertising ban is welfare improving will ultimately rest on which view of advertising the policymaker finds most appropriate.

The top panel of Table 17 shows changes in welfare resulting from the advertising ban under the view that advertising is a characteristic. It reports the “characteristic effect”, which measures the direct effect on consumer welfare resulting from removing advertising; the “price competition effect”, which measure the impact on consumer welfare from firms optimizing their prices in response to the ban; total compensating variation, which is the sum of the characteristic and price competition effects; the change in firms’ variable profits; and the total change in welfare (the sum of compensating variation and the change in variable profits). The first column reports values when prices are held fixed, and the second column gives numbers when firms reoptimize their prices in response to the ban. The “characteristic effect” leads to an ETB48 million fall (per month) in consumer welfare. Under this view consumers place positive value on advertising, and its removal reduces their welfare. The “price competition effect” (which is only present when firms can optimize their prices), acts to raise consumer welfare by ETB14 million. Firms, on average, respond to the ban by lowering their prices and consumers benefit from facing these lower prices. However, the characteristic effect dominates, meaning total compensating variation is negative. The ban also leads to a fall in firms’ variable profits, meaning that under the characteristic view of advertising, the effect of the ban is to lower total welfare (not accounting for any potential health benefits arising from the ban).

Table 17: Effect of ban on welfare

	Post ban	
	No firm response	With firm response
<i>Advertising as a characteristic</i>		
Characteristic effect (ETB m)	-48.00	-48.00
Price competition effect (ETB m)	0.00	14.22 [12.00, 16.45]
Total compensating variation (ETB m)	-48.00	-33.78
Change in profits (ETB m)	-12.80	-13.05
Total change in welfare (ETB m)	-60.80	-46.83
<i>Advertising as distorter of choice</i>		
Choice distortion effect (ETB m)	33.21	33.21
Price competition effect (ETB m)	0.00	14.22 [12.00, 16.45]
Total compensating variation (ETB m)	33.21	47.43
Change in profits (ETB m)	-12.80	-13.05
Total change in welfare (ETB m)	20.41	34.38

The bottom panel of Table 4.14 presents changes in welfare resulting from the advertising ban under the alternative view that advertising acts to distort consumer decision making. In this case, total compensating variation includes the “price competition effect”, as above, plus the “choice distortion effect”, which captures the fact that advertising induces consumers to make distorted decisions, and the ban removes this distortion. We estimate that the welfare gains from removing potentially distorting advertising is ETB33 million. Coupled with the benefit consumers get from facing lower prices, total compensating variation (in the post ban equilibrium) is ETB47 million. This outweighs the fall in firms’ variable profits, meaning that under the distortionary view of advertising, an advertising ban is welfare improving.

We define total welfare as the sum of compensating variation and the change in firms’ variable profits. It does not include possible future benefits (or costs) to consumers of better health resulting from lower beer consumption. Nor does it include general equilibrium effects on markets other than the beer market (such as the advertising market). If, for instance, the future health benefits from lower beer consumption and the switch to healthier beer products induced by the advertising ban are sufficiently large, they may lead the advertising ban to be welfare improving even under the characteristic view of advertising.

4. CHAPTER FIVE

4.1. Summary of the Findings, Conclusions and Recommendations

This chapter introduces the analyses' conclusions, which are based on the research's primary findings and recommendations for future research areas.

4.1.1. Summary of the Findings

This research employed a mixed method and collected both qualitative and quantitative data from 365 representatives of the society/public. Out of 365 respondents, about 32% were male and the remaining 68% were female. Half of the public survey respondents (50%) were under the age of 30 years. This indicates that the youth population is well represented in this study. Most of the respondents i.e., 85% (which is the majority) are holders of College Diploma or above, and 78% were employed or self-employed.

Close to 60% of the total respondents who drink alcohol were under the age of 30. This indicates that the young population has more tendency to drink alcohol than the older ones. Out of 60% who drink alcohol, 71% drink at least once in a week. Over the past one year, however, alcohol drinking practice has decreased for 70% respondents who drink alcohol. This was mainly due to Corona, don't want drinking alcohol frequently, Personal need, Health consciousness and cost respectively for 25%, 43%, 13%, 10% and 4% respondents.

In terms of the respondent's awareness about the ban, 91.6% of the respondents have reported that they are aware of the ban. According to the respondent's opinion, the number of people drinking alcohol as well as alcohol induced violence have not increased in families, villages, and Addis Ababa city over the past one year. In general, banning alcohol advertisement on broadcasting media outlets positively affected behavior of the youth community according to most of the respondents.

4.1.2. Conclusions

The aim of this study is to investigate the impact of the alcohol advertising ban on beer consumer behavior in Addis Ababa. For this, the following research questions are configured.

1. After the alcohol advertising ban, will there be changes in consumer behaviour among beer consumers?
2. Does the ban on alcohol advertising influence sales revenue?
3. After the proclamation is passed, what is the most efficient means of advertising?

4. What media methods do the target customers of Habesha prefer?

Quantitative and qualitative research methods are utilized to determine the answer to the question, and convenient sampling strategies are used to pick interviews from the sample, as well as quantitative analysis methods to analyze the data acquired from the sample interviewees. SPSS software version 20 is used for descriptive statistics (percentage) and inferential statistics (correlation and multiple linear regression).

Based on descriptive and inferential statistical results, the prohibition of beer advertising has a moderate effect on purchase intention, according to the findings. The descriptive results in beer reveal the result of advertising ranks fourth among the listed factors that are thought to influence purchase intention, indicating the influence of beer on purchase intention based on inferential statistics between the indicated variables. Beer advertising has no financial ties to the advertising industry.

Alcohol publicizing bids to youngsters through humor, movement, splendid tones, and music and it will in general support the connection among drinking and socialization and being acknowledged by peers, which are significant worries for youth.

As a result of the enforcement of the bans alcohol advertising, the exposure of the youth to alcohol has reduced, which in turn may contribute to the reduced number of alcohol drinking and alcohol related violence in the city of Addis Ababa. As such, the society's well-being was found to be better off, particularly of the youth community due to the banning of alcohol advertising.

4.1.3. Recommendations

Even though banning alcohol advertising on media outlets was the right measure taken by the Ethiopian Government to protect its citizens' well-being, the government should also acknowledge the various impacts this has brought to the business environment of the alcohol brewing industry and other sectors, particularly the media, advertising.

The alcohol (Beer) brewing companies should act swiftly to these changes to cope with the consequence the banning of advertisement will have on their performance. And have well sorted out strategy on how to face any government regulation that might be passed in the future that could affect their working habit. Since their consumers are those that are keeping the

operation alive, they should research more on how to influence consumers with alternative methods other than the broadcasting advertisement.

The government should consider policy and regulation it sets whether it is in the best intension on the concerned parties. The government could have also implemented volume and content restrictions to have a more outcome. Thus, it is very much important for the government to take note of this fact and come up with strategies that will sustain the development of these two sectors (brewing and media), without compromising the well-being of its citizens. If all the stakeholders including the media and advertising companies were adequately engaged in the development of the banning, the impact of the banning on the companies would not have been such severe. The media and advertising sectors actors themselves should assess their business operating environment to identify and tap potential opportunities with other industries and diversify their clients.

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7. If yes, how often do you drink?

Occasionally, during social gathering/holiday

Once in a month

Once in a week

Every weekend

Everyday

8. If yes, have your drinking habit _____over past two years?

Increased

Decreased

Remained the same

9. What was/were the reason(s) for your response (increase/decreased/remained the same) to question 8 above?

a. _____

b. _____

c. _____

Section III: Perception towards the bill banning alcohol advertisement on media

1. Are you aware of the bill passed by the Ethiopian Parliament in 2019 which bans alcohol promotion on broadcasting media outlets?

Yes

No

2. Please refer the table below and indicate your level of agreement for each question on the practice of alcohol consumption and alcohol related violence's using the 5-point scale.

	Public perception questions	SD	D	N	A	SA	Not applicable
Alcoholic drinker number							
1	Number of people drinking alcoholic beverage increased in your family over the past one year (December 2019 - December 2020).						
2	Number of people drinking alcoholic beverage increased in your village/neighbourhood over the past one year (December 2019 - December 2020).						
3	Number of people drinking alcoholic beverage increased in the city over the past one year (December 2019 -December 2020).						
Violence							
4	Alcohols induced violence increased in your family over the past one year (December 2019 -December 2020).						
5	Alcohols induced violence increased in your village/neighbourhood over the past one year (December 2019 - December 2020).						
6	Alcohol induced violence increased in the city over the past one year (December 2019 -December 2020).						
7	In general, banning alcohol advertisement on broadcasting media outlets positively affected behaviours of youth in your community.						
Mode of Ads							
8	An advertisement aired in media where so many advertisements are aired influences my purchase intention						
9	An advertisement aired in television influences my purchase intention more than an advertisement aired in other media						
10	An advertisement transmitted in a banner and billboard influences my purchase intention more than an advertisement aired in other media						

Purchase Decision

11	An advertisement which uses a music to transmit the message influence me more						
12	My purchase intention to drink a beer is influenced by beer advertisements						
13	My purchase intention to drink a beer is influenced by the price of the beer						
14	My purchase intention to drink a beer is influenced by the availability of the beer						
15	My purchase intention to drink a beer is influenced by the quality of the beer						
16	The alcohol advertisement ban helps me to decrease alcohol consumption						
17	Beer advertisements gives me more information about the brands						

THANK YOU FOR YOUR COOPERATION