



**THE EFFECTS OF PACKAGING CHARACTERISTICS ON CONSUMER BRAND
PREFERENCE: THE CASE OF SOFT DRINK PRODUCTS IN ETHIOPIA**

By: Gelawdewos Aweke

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ADDIS ABABA UNIVERSITY

SCHOOL OF COMMERCE

DEPARTMENT OF MARKETING MANAGEMENT

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By: Gelawdewos Aweke

ID No. GSE/7538/10

Advisor: Andinet Worku (Ph. D.)

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Approved by Board of Examiners

Advisor	Signature	Date
Internal Examiner	Signature	Date
External Examiner	Signature	Date

DECLARATION

I, Gelawdewos Aweke, hereby declare that this thesis titled, ‘The Effects of Packaging Characteristics on Consumer Brand Preference: The Case of Soft Drink Products in Ethiopia’ is my original work. I have carried out the present study independently with the guidance and support of the research advisor, Andinet Worku (Ph. D.) Any other research or academic sources used here in this study have been duly acknowledged. Moreover, this study has not been submitted for the award of any Degree or Diploma Program in this or any other institution.

Gelawdewos Aweke _____

Signature

Date

Confirmation by Advisor _____

Andinet Worku (Ph. D.)

Signature

Date

TABLE OF CONTENTS

Acknowledgement	i
List of Tables.....	ii
List of figures.....	iii
List of Abbreviations	iv
Abstract.....	v
CHAPTER ONE	1
INTRODUCTION	1
1.1. Background of the Study	1
1.2. Statement of the Problem.....	2
1.3. Research Questions	4
1.4. Research Objectives.....	5
1.5. Significance of the Study.....	5
1.6. Scope of the Study.....	5
1.7. Limitation of the study.....	6
1.8. Organization of the Study.....	6
1.9. Definition of Terms.....	6
CHAPTER TWO	8
REVIEW OF RELATED LITERATURE.....	8
2.1. Introduction.....	8
2.2. The Function and Importance of Packaging.....	8
2.3. Theoretical Framework of Packaging.....	11
2.3.1. The Cognitive Model.....	11
2.3.2. Elaboration Likelihood Model.....	12
2.3.3. Selective Perception Model.....	15
2.4. Packaging Characteristics.....	16
2.4.1. Packaging Graphics and Color.....	16
2.4.2. Packaging Shape and Size.....	18

2.4.3. Printed Product Information.....	18
2.4.4. Packaging Innovation	20
2.5.Consumer Brand Preference	20
2.6.Review of Empirical Literatures	22
2.7.Conceptual Framework and Hypothesis of the Study.....	23
 CHAPTER THREE	 24
 RESEARCH DESIGN AND METHODOLOGY.....	 24
3.1.Introduction.....	24
3.2.Research Design.....	24
3.3.Population and Sampling Techniques.....	24
3.4.Instruments of Data Collection.....	25
3.5.Procedures of Data Collection.....	26
3.6.Methods of Data Analysis.....	26
3.7.Reliability and Validity.....	26
 CHAPTER FOUR.....	 28
 DATA PRESENTATION, ANALYSIS AND INTERPRETATION.....	 28
4.1.Introduction	28
4.2.Demographic Characteristics of the Samples.....	28
4.3.Descriptive Statistical Results.....	30
4.4.Tests for The Assumption of Regression Analysis	31
4.4.1. Normality Test	31
4.4.2. Multicollinearity Test	32
4.4.3. Auto Correlation Test	32
4.4.4. Homoscedasticity Test.....	33
4.5.Correlation Analysis	34
4.6.Multiple Regression Analysis.....	36
4.7.Model Specification	38
 CHAPTER FIVE	 42
 SUMMARY, CONCLUSION AND RECOMMENDATION	 42

1.1.Introduction	42
1.2.Summary of Findings	42
5.3.Conclusion	42
5.4.Recommendations	43
5.5.Limitations and Areas of Future Research	45
REFERENCES.....	46
APPENDIX: QUESTIONNAIRE.....	55

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LIST OF TABLES

Table 3.1 Cronbach's Alpha Reliability Test.....	27
Table 4.1 Demographic Characteristics and Soft Drink Consumption Habits of the Respondents.....	29
Table 4.2 Mean and Standard Deviation for Packaging Attributes and Brand Preference.....	30
Table 4.3 Skewness and Kurtosis.....	31
Table 4.4 VIF Values of Predictors.....	32
Table 4.5 Autocorrelation Test.....	33
Table 4.6 The Relationship Between Packaging Characteristics and Consumer Brand Preference...	34
Table 4.7 Model Summary.....	37
Table 4.8 ANOVA Results	36
Table 4.9 Multiple Regression Analysis.....	37
Table 4.10 Hypothesis Testing Summary	39

LIST OF FIGURES

Figure 2.1: A Graphical Representation of Packaging Layers	9
Figure 2.2: Cognition Model for Comprehension of Product Packaging	11
Figure 2.3: Conceptual Model of Packaging Elements and Product Choice	12
Figure 2.4: The Central Route to Persuasion Model	13
Figure 2.5: Adaptation to the Consumer Decision-Making Process	14
Figure 2.6: Proposed Conceptual Framework.....	23
Figure 3.1: Statistical Formula to Determine the Sample Size.....	25
Figure 4.1 Homoscedasticity Test	34

LIST OF ABBREVIATIONS

ELM - Elaboration Likelihood Model

SPSS - Statistical Package for the Social Sciences

VIF - Variable Inflation Factor

TOL - Tolerance

ANOVA - Analysis of variance

MOHA - Mohammed Hussein Al-Amoudie

SEM - Structural Equation Modeling

COVID – Corona Virus Disease

ABSTRACT

This study was carried out with the intention of examining the effects of packaging characteristics (Packaging graphics and color, packaging size and shape, printed product information, and packaging innovation) on the consumer brand preference of soft drink products in Ethiopia. For this study, accessible population of 370 soft drink consumers were selected based on convenience sampling. A structured questionnaire was used to collect primary data from respondents using google form. Quantitative research design was used and data analysis mainly took place in Microsoft excel and SPSS 25.0 through multiple regression analysis test hypothesized causal relationships. The study found out that there is a positive and significant correlation between all packaging characteristics and consumer brand preference. However, the result of the regression analysis showed that packaging size and shape have the most significant effect, on consumer brand preference of soft drink products followed by packaging innovation and printed product information respectively. Implications for marketing practitioners are delineated in the thesis.

Keywords: Packaging, Brand, Brand preference, Consumers, Shape, Color, Graphics, Innovation, Product, and Information

CHAPTER ONE

INTRODUCTION

1.1. Background of the Study

The first packaging was designed in the form of baskets and containers since some thousand years ago (Meyers and Gerstman, 2005). It was considered the beginning of modern packaging in the 19th century, when manufacturers started pre-packaging their products and gradually it became a practice to do so. Mass marketing was born in the United States after that, leading to a revolution in 'profit by volume' thanks to mass-produced packaging (Twede, 2012). The advent of a packaging industry began in 1927 (Twede, 2012), but packaging design (also known as packaging design) became an important tool for promoting corporate products by 1995 (Stewart, 2004).

For more than a decade, the often-quoted statistics that consumers make 70 percent of the store's brand decisions boosted shopper marketing and made other advertising seem almost pointless. (POPAI, 1995). However, OgivyAction's extensive new global study indicates consumers are not nearly as fickle as the figure suggests — although they are still receptive enough to change their minds on the shelf. According to the study, the real number of consumers who wait until they are in a store before deciding what brand to buy is 39.4 percent. Approximately 10 percent change their minds while in the store and 20 percent of consumers wind up making a purchase from a category they did not expect to buy from before they step into a store. (George, 2008) In other words, an enticing packaging of a product can be a powerful advantage in attracting the interest of consumers and driving purchases of impulses, particularly when shifting to the retail environment of self-service.

Today, packaging design has developed into a communication tool and is seen as an important marketing feature. Meyers and Gerstman (2005) cited the packaging as being the sixth 'P' of the marketing mix. Packaging has become increasingly important in order to stand out among the competitive rivalry and is the point-of - purchase-merchandising tool in the marketing mix. As it is used to convey the message and values of the brand, the package design helps the customer to recognize some symbolic uniqueness, which distinguishes the product from the competitors (Nickels and Jolson, 1977). The average time it takes to find a product on the supermarket shelf is around 1/17 of a second. Thus, it is least to say that a product must stand out quickly and be attracting enough for consumers to grab it (Kotler, 2008).

In Ethiopia, overall consumption of soft drinks remains limited per capita, with very low incomes and the widespread popularity of fresh juice and hot drinks continuing to curb sales. Nevertheless, the sector offers good growth potential and overall optimistic outlook because of rapid population development, continuing urbanization, higher disposable incomes and a general change to Western consumption trends (Euromonitor International, 2018).

There are two big multinational soft drink firms in Ethiopia: Coca Cola and Pepsi, with greater range of products and varying sizes. Packaging has now become an appropriate selling proposal, although Ethiopia's soft drink market is very competitive in terms of sales promotion, sponsorship, advertising and distribution to gain market share and innovative product propositions by innovating new products with different flavors every year. Therefore, the marketing team of both companies needs to optimize their product packaging to win in their consumer's minds and hearts at the point of sale to break through the clutter.

The main purpose of this research is to predict consumer preference, whether the packaging characteristics influence brand preference in the soft drink industry context. This includes several different factors relating to packaging features, i.e. graphics and packaging color, packaging size and shape, product information and information on the technologies used in the package (innovation). Thus, these included factors leading to customer behavior and buying the preferred brand.

1.2.Statement of the Problem

General features of the package may point to the product's unique nature and originality. Quality judgment is largely influenced by packaging-reflected product characteristics, and these play a role in setting brand preferences (Underwood, Klein, & Burke 2001; Silayoi and Speece 2004). When the packaging expresses high quality, buyers also presume the product is of high quality. If the packaging symbolizes poor quality, this "low quality" interpretation of the commodity itself is passed to customers (Underwood, Klein & Burke 2001; Silayoi and Speece 2004). The package becomes the icon that communicates favorable or unfavorable implied meaning about the product. Underwood, Klein, & Burke (2001) suggest that consumers are more likely to spontaneously imagine aspects of how a product looks tastes, feels, smells, or sounds while viewing product pictures on the package.

In addition, package conveys unique value to products, works as an instrument for differentiation, i.e., helps consumers to choose the product from a wide range of similar products, stimulates customers buying behavior (Underwood, Klein, & Burke 2001; Silayoi & Speece, 2004). Packaging characteristics give the ability to differentiate between similar products and induces the clients for purchase (Wells, Farley, & Armstrong, 2007).

Consumer intention to buy depends on the degree to which consumers expect the product to meet their expectations about its use (Kupiec and Revell, 2001). However, when they have not even thought about the product that they want to buy much before entering the store, what is communicated at the point of purchase determines this intention to buy. In the consumer decision-making process, the packaging becomes a critical factor because it communicates to consumers at the time they actually decide in the shop. How they interpret the subjective object of the goods as portrayed in the package through communication elements determines choice and is the key to success for many marketing strategies for food products (Silayoi & Speece, 2004).

Despite the rise in point-of - purchase decisions, which rise the communication capacity of soft drink product packaging, analytical research works on understanding how packaging characteristics generate subsequent product and brand assessments are restricted (Edward, Julie, Megan & Selma, 2013). In addition, studies have shown no agreement on classifying package attributes. Some researchers attempt to investigate all possible packaging elements and their impact on consumer purchasing decisions for food products (Silayoi & Speece, 2004; Silayoi & Speece, 2007; Butkeviciene, Stravinskiene, & Rutelione, 2008), while others concentrate on separate elements of package and their influence on consumers brand preference (Madden, Hewett, & Roth, 2000; Underwood, Klein, & Burke, 2001; Bloch, 1995). Moreover, some researchers investigate the impact of a package and its elements on the overall purchasing decisions of consumers (e.g., Underwood, Klein, & Burke, 2001). However, there is no agreement on the categorizations of packaging attributes as well as the research methods used to determine the packaging's impact on consumer brand preference (Kuvykaite, Dovaliene, & Navickiene, 2009). Besides, the previous researches did not provide a common answer about the effects of packaging characteristics on consumer's brand preference (Kuvykaite, Dovaliene, & Navickiene, 2009; Madden, Hewett and Roth, 2000; Vila and Ampuero, 2007). Hence, it is important for researcher to look into this issue in more detail to identify which attributes of a packaging have the most influence on the consumer's brand preference. This study, therefore, seeks to reveal important elements of packaging and

to examine their relationships with the consumer's brand preference in the case of soft drink products, where such a study in Ethiopia is still lack.

The research results, potentially, add to the numerous researches on the impact of packaging characteristics on product brand preferences for consumers. The literature available shows that a lot of research has been carried out in this area with reference to food products. In this area, however, little is done in relation to soft drink products and in a context of developing countries. Hence, this result will fill this gap and add to the numerous literatures in this area.

1.3. Research Questions

The question intended to be answered in this study are based on the research objectives:

1. What is the effect of soft drink packaging color and graphics on consumer brand preference?
2. What is the effect of soft drink packaging size and shape on consumer brand preference?
3. What is the effect of soft drink packaging innovation on consumer brand preference?
4. What is the effect of soft drink packaging printed product information on consumer brand preference?
5. Which of these packaging characteristics influence consumer brand preference the most in the case soft drink products?

1.4. Research Objectives

As a marketing tool for packaged soft drinks, the role of packaging is becoming vital. In order to gain a better understanding of which character is the most important factor influencing the consumer's brand preference and how best to leverage these attributes and win on the market, marketers need to study the packaging and its characteristics in detail. Hence, the general purpose of this research was to examine the effects of packaging characteristics on consumer brand preference in the case of soft drink products in Ethiopia.

The specific objectives of this research are as follow:

1. To determine the major packaging characteristics of soft drink products
2. To analyze the relationship between packaging characteristics and consumer brand preference in the case of soft drink products
3. To investigate the most influencing packaging characteristics towards consumer brand preference of soft drink products

1.5. Significance Of The Study

Physical products must be packaged and labeled. Well-designed packages can create convenience value for customers and promotional value for producers (Kotler, 2012). To achieve the communication goals effectively and to maximize the uniqueness of the packaging at the point of sales, marketers must recognize the characteristics of packaging and their impact on consumer's brand preferences follow by integrating these attributes into their packaging design. This study is important since the majority of the previous packaging studies on soft drinks were not locally based (not Ethiopia-based), and different country has different consumer behavior, culture; the response of the study will provide a new insight to the local marketers (Ethiopian) towards the effect of packaging characteristics on consumer brand preference of packaged soft drink products.

1.6. Scope of the Study

The research focuses on the effects of packaging features on consumer brand preferences in the case of soft drink products in the Addis Ababa customer context. Thus, this research conceptually only assesses the effects of such packaging characteristics as size , shape, graphics, color, innovation and product information on consumer brand preference and did not consider such a variable as brand loyalty.

1.7. Limitation of the Study

Since a non-probability sampling technique was used to collect the data, the findings of the study may not be generalizable to all customers in Ethiopia. However, the result of the study shaded light on the effect of packaging characteristics on consumer brand preference, which is a useful information for soft drink companies in Ethiopia. Since the data collection instrument used is a questionnaire, it relies on self-reports of participants which may not be objective. For instance, self-reports of factors affecting brand preference may be different to objective assessment of such factors.

1.8. Organization of the Study

The study was organized into five chapters. The first chapter contains the background of the study, statement of the problem, research questions, objectives of the study, the significance of the study, delimitation/scope of the study, and definition of terms.

The second chapter captures theoretical review, empirical review and the conceptual framework of the study.

The third chapter is concerned with the type and design of the research; the subjects/participant of the study; the sources of your data; the data collection tools/instruments employed; the procedures of data collection; and the methods of data analysis used.

The fourth chapter is concerned with summarizing the results/findings of the study, and interpret and/or discuss the findings.

Chapter fifth chapter comprises four sections, which include a summary of findings, conclusions, limitations of the study, recommendations, and references.

1.9. Definition of Terms

Some of the terminologies used herein and what they refer to is presented below;

Packaging: all the activities of designing and producing the container for a product (Philip Kotler et al. 2005).

Brand: is defined as a "name, term, sign symbol (or a combination of these) that identifies the maker or seller of the product" (Philip Kotler/Gary Armstrong 2008).

Brand preference: represent consumer dispositions to favor a particular brand (Overby and Lee, 2006)

Consumers: is the study "of the processes involved when individuals or groups select, purchase, use, or dispose of products, services, ideas, or experiences to satisfy needs and desires"(Solomon et al. 1995).

Size: physical magnitude, extent, or bulk: relative or proportionate dimensions (Merriam Webster 2020)

Shape: is the visible makeup characteristic of a particular item or kind of item (Merriam Webster 2020)

Color: a phenomenon of light (such as red, brown, pink, or gray) or visual perception that enables one to differentiate otherwise identical objects (Merriam Webster 2020)

Graphics: a graphic representation (such as a picture, map, or graph) used especially for illustration (Merriam Webster 2020)

Innovation: a new idea, method, or device (Merriam Webster 2020)

Product: something produced (Merriam Webster 2020)

Information: knowledge obtained from investigation, study, or instruction (Merriam Webster 2020)

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.1.Introduction

This chapter will look at the theories related to packaging and its elements and empirical findings from other studies. The development of hypothesis for the study is also discussed with relation to literature reviewed. First, let us consider the purpose of packaging.

2.2.The Function and Importance of Packaging

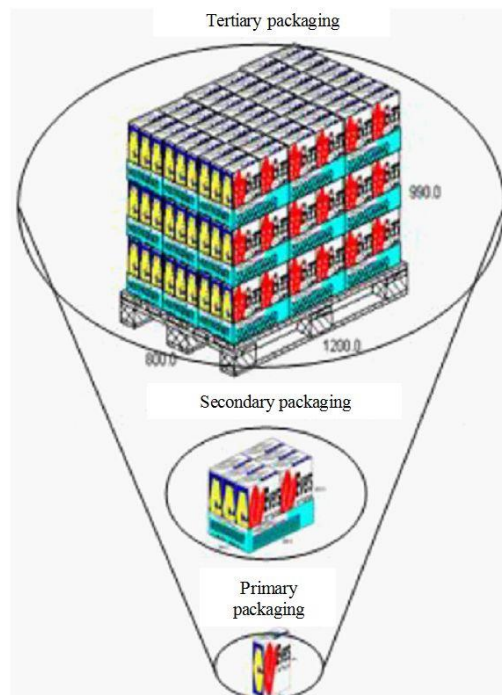
Silayoi and Speece (2004), by their role, define the fundamental functions of logistic packaging and marketing. The logistical function of packaging is mainly to protect the product during movement through the distribution channel from an incidence of damage, spoilage or loss by theft or misplace of goods. Although the packaging should be attractive enough as regards the marketing role and well design, so that it conveys the message of product attributes clearly.

In the FMCG industry, packaging can make an important contribution to the product and, more generally, to business success (Simms and Trott, 2010). To date, past marketing and business research has largely failed to recognize that contribution (Simms and Trott, 2010). Packaging covers and protects products, from production to the end user, and can even improve the product itself during its lifecycle in certain cases. It would be difficult, inefficient and costly to handle the core product without packaging, and to market it to the consumer. Packaging is both inescapable and essential in modern society.

According to Charles W. Lamb et al., (2011), in their book “Essentials of Marketing” think that packaging has four distinct marketing functions. It contains and protects the product. It promotes the product. It helps consumers use the product and finally, packaging facilitates recycling and reduces environmental damage. Therefore, the packaging does more than just protecting the company’s products. It also helps in developing the image of the product in the consumer mind. Therefore, failing to pay attention to the design of the packaging can decrease the chances of being visible and attractive, which can affect sales.

Vidales and Giovanetti (1995) and Simms and Trott (2010) highlight three key types, or layers of packaging: primary, secondary, and tertiary.

Figure 2.1: A Graphical Representation of Packaging Layers



- Primary packaging is in direct contact with the product (e.g. a plastic bag containing cereal);
- Secondary packaging typically protects the product, identifies it, and communicates with the customer (e.g. the cereal box); sometimes, this may be disposed of once the product begins to be consumed;
- Tertiary packaging contains the two previous types of packaging: its role normally relates to the distribution of the product (e.g., cereal boxes are typically moved through the distribution chain on large cardboard trays with plastic protective wrapping). In some cases, products will have more than one layer of tertiary packaging, whose use may vary in different value chains (for example, orange juice cartons are often contained in boxes – tertiary packaging - but whilst in the distribution system, these boxes are often stored on larger cardboard or wooden ‘punts’, and are ‘shrink’ wrapped to these).

Therefore, specification must be considered at each level, with decisions clearly being interrelated. For example, shelf ready (tertiary) packaging may provide additional protection, communication opportunities and shelf presence, negating a need for secondary packaging (Simms and Trott, 2010).

According to the European Federation, the packaging is cross-functional, since it interacts with different industrial departments, with their specific requests of how packages should be designed, and these are often contradictory. Thus, packages have to satisfy several purposes, such as:

- Physical protection: the objects enclosed in the package may require protection from mechanical shock, vibration, electrostatic discharge, compression, temperature, etc.
- Hygiene: a barrier from e.g. oxygen, water vapor, dust, etc. is often required. Keeping the contents clean, fresh, sterile and safe for the intended shelf life is a primary function
- Containment or agglomeration: small objects have to be grouped together in one package for efficiency reasons
- Information transmission: packages can communicate how to use, store, recycle, or dispose of the package or product
- Marketing: packages can be used by marketers to encourage potential buyers to purchase the product
- Security: packages can play an important role in reducing the risks associated with shipment. Organizations may install electronic devices like RFID (Radio-frequency identification) tags on packages, to identify the products in real time, reducing the risk of thefts and increasing security
- Packaging system and operations management

Today consumers are faced with an ever-increasing number of products. According to Belch & Belch (1999), the average American supermarket holds around 20,000 products, which compete to attract the attention of consumers. Michael, Nathalie, Kasten, Carmen, & Keller (2008) argues that consumers face more than 20,000 choices within 30 minutes shopping session. With so many alternatives available just before a purchase decision is made, the product packaging is one of the best marketing tools companies can use to sell products.

According to Nilson & Ostrom (2005), brand name, color, typography, and images are included in the product packaging design, all of which influence how quickly and easily a product hooks the eye. Packaging visual elements have a greater impact on purchasing when

buyers have low buying interest, that is to say when the product is low risk and less costly. They have also strong impact on instinct purchases.

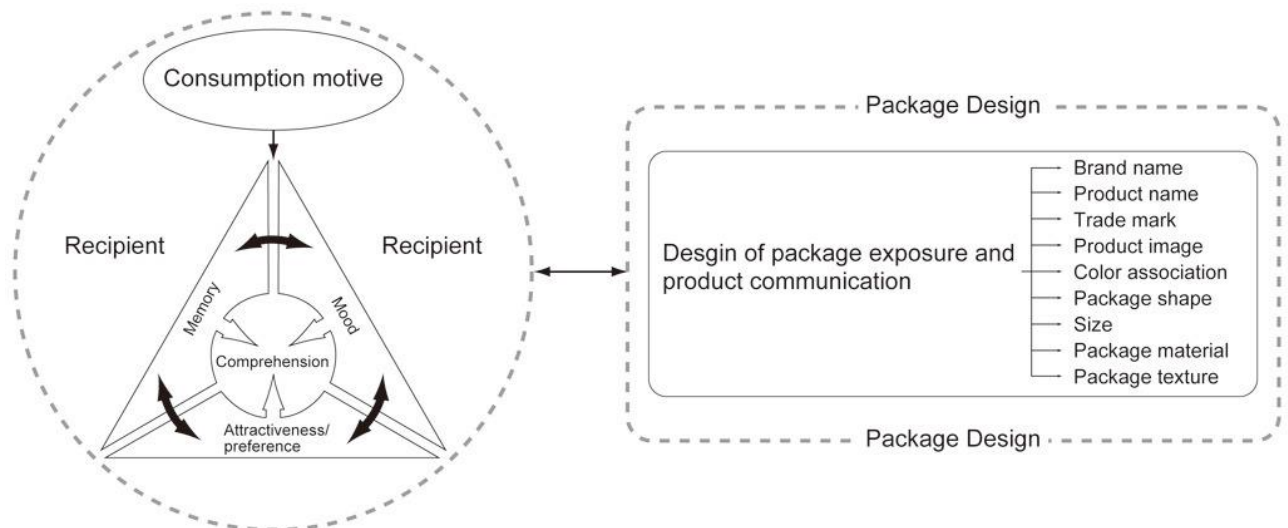
2.3.A Theoretical Framework

2.3.1. The Cognitive Model

In their design-focused research, Wang and Chou (2010) relate the key physical elements to customer perceptions (Figure 2.2): stressing that the receiver should interpret each item of the design according to their mood, memory and desires, as well as the motive for consumption.

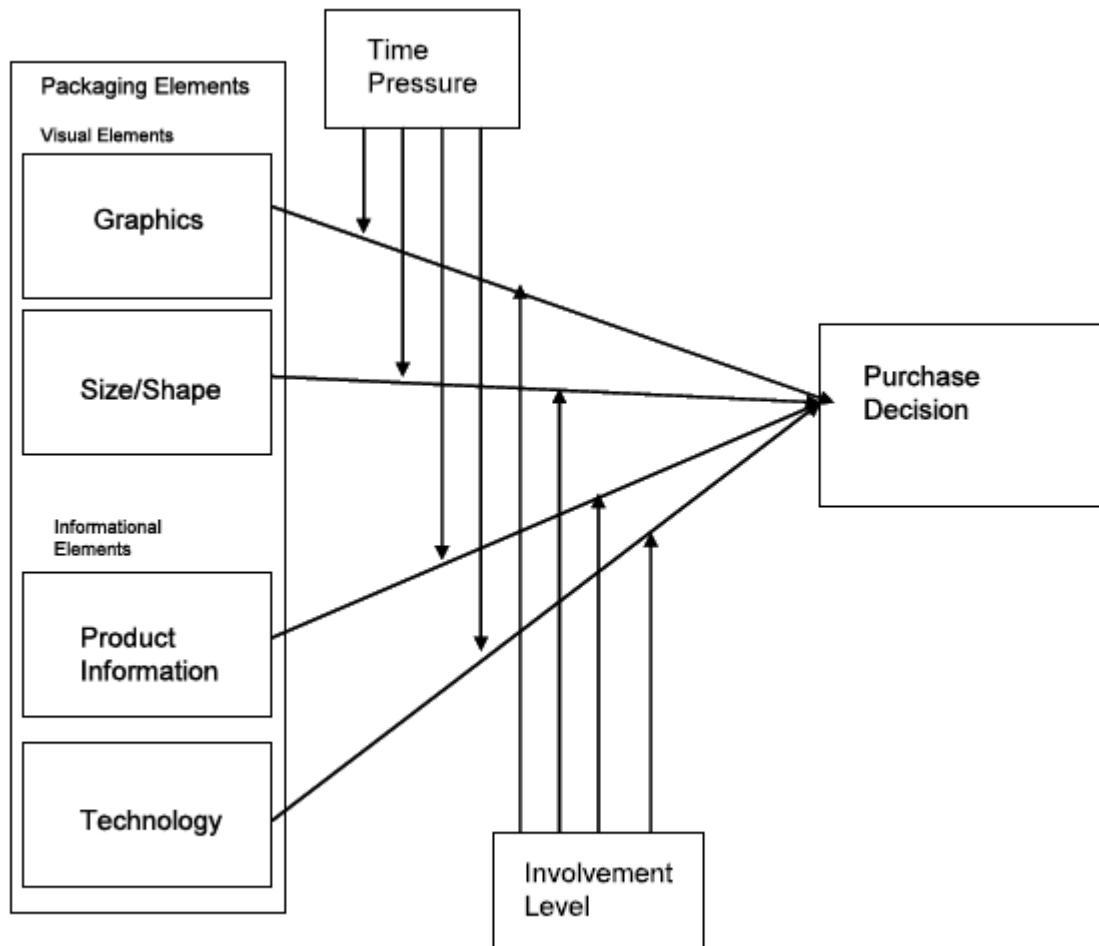
Figure 2.2: Cognition Model for Comprehension of Product Packaging (Wang and Mu-Chien, 2010).

Figure 2.2: Cognition Model for Comprehension of Product Packaging (Wang and Mu-Chien, 2010).



However, Silayoi and Speece (2004) and Kuvykaite et al. (2009) recognize that the value of both of them can vary depending on the type of product and the time pressure of purchase (Figure 2.3). Technological developments and product information, for example, are of particular salience to products with greater involvement. The importance of these elements varies however between segments (Silayoi and Speece, 2007).

Figure 2.3: Conceptual Model of Packaging Elements and Product Choice (Silayoi and Speece, 2004).

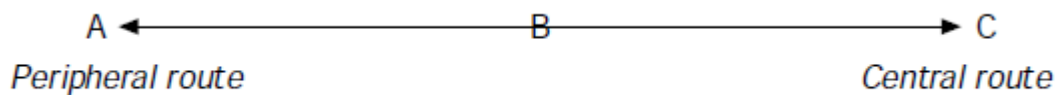


2.3.2. The Elaboration Likelihood Model (ELM)

Manufacturer advertising is used as a "persuasive" tool to promote product change or takeover. The elaboration likelihood model (ELM) of persuasion (Petty and Cacioppo, 1983, 1984) takes into account how consumers evaluate advertised messages in order to provide an understanding of the processes of thought that underlie how "persuasion" takes place. The context in which consumers process the information presented to them on the labels of packaging is, therefore, of significance. The ELM model demonstrates the applications of how information is processed by individuals ranging from a continuum of "low" cognition and consumer involvement at one end, the peripheral route to persuasion, to the extensive elaboration of each argument where there is "high" cognition, motivation and thoroughness

in processing information, the central route to persuasion. The range can be adapted to and examined along a continuum from A to C, with A to B as the pre-attention and low elaboration route, while B to C is the focused attention and high elaboration route (see Figure 2.4).

Figure 2.4: The Central Route to Persuasion Model



Individuals vary in their degree of elaboration or comprehension, and greater individual effort requires more cognitive capacity and control. Individuals may be perceived to have taken the peripheral route, such as "persuaded to buy" when advertisers use basic signals such as using desirable or well-known celebrities in ads. If the quality of argument of the individual is not high, and the scrutiny of arguments does not take place "elaboration" is stated below. Some authors (Aldershoff and Feenstra, 1988; Feenstra, 1990) have shown that motivation in the processing of question-relevant arguments also increases when there is an increase in the relevance of issues versus personalities. The quality of debate is an important determinant of attitudes. Motivation and ability to elaborate vary from consumer to consumer and offer an imperfect fit between indicators of purchases and sales (Petty and Cacioppo, 1986). Prior motivation to process information along the central route requires much more effort. In the peripheral route, attitudes towards brands are formed and changed without reactive thinking, positive or negative.

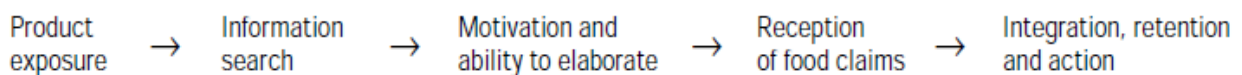
What is an elaboration in the context of marketing communications? Eagley and Chaiken (1993) defined elaboration as "the extent to which a person considers relevant arguments in a message about the issue." Consequently, the ELM model could provide some guidance in marketing communications for advertising, packaging design, and messages on labels to examine how individuals respond to the methods adopted by manufacturers and their advertisers. The central route is taken when the likelihood of elaboration is high with recipients of the marketing communication. In such instances, the consumer compares and contrasts the information in the communication with previous information (associations, images, and experiences) in order to evaluate the new information. Hence, it is vital that marketers pay attention to the prior attitudes and beliefs held by consumers. The need for attention to be paid to more effective labeling by manufacturers is reinforced by the Financial

Times (1995) estimate that 1,000 new consumer products reach British supermarket shelves each month. In 1994, supermarket shelves had 312 new yogurts and 375 new sauces and pickles. Effectiveness in labeling would help consumers, as the Financial Times suggests, choosing “between rows and rows of almost identical products”. Since the business of advertising is, an expensive one the knowledge gained about the psychology of their consumers is important to assist manufacturers to understand the “how’s” and “why’s” of consumer responses to their packs and advertisements.

Effective packaging labeling would strengthen the core forms of advertising marketing communications, personal selling, advertising, public relations, direct marketing, and sponsorships. Persuasion occurs more likely when mark associations are positive. Executional signs in the design of labels and advertisements where brand familiarity is a strong result of purchasers' cognitive shortcuts along the peripheral route (underlining the need for the competitive set's semiotic analysis). Consumers use a number of design signals in the whiskey market to infer "age," yet these may be misleading. In some markets, it may be tempting to "imply" certain product features when they do not exist.

When the message content is perceived as relevant to their needs, and when they have the awareness and ability to think about these messages, consumers become interested and able to elaborate. For example, cognitive processing of food claims on product labels may be influenced by the need to be effective in allocating disposable income or selecting a diet that satisfies nutritional needs and avoids harmful products for consumption. Figure 2.5 is, by way of illustration, an adaptation of Petty and Cacioppo's (1984) ELM to the process of consumer decision making.

Figure 2.5: Adaptation to the Consumer Decision-Making Process



This illustrates the sequence of stages in consumer behavior:

- Product exposure using the major forms of marketing communications;
- Information search sometimes made difficult by lack of data or standardization in product labelling;
- Motivation and ability to elaborate (process messages and information) along the central and peripheral routes to persuasion

- Reception of food claims and contents information concerning the addition of flavorings and additives;
- Integration, retention of information and action in purchasing.

An attitude is formed when information made prominent by, say, an advertisement has been integrated into a consistent negative or positive product evaluation, but for how long that attitude persists. Consumers can still lack expertise with food labeling with, say, and chemical names and therefore feel less confident to apply their knowledge and experience to process these details. Pack designers must predict whether their intended audiences can use the effort to rationally process information along the central route with strong convictions, or are more likely to form attitudes superficially. Individuals who consider high-value nutritional information are likely to closely analyze products and respond negatively if the claims of marketers "low in fat," "low in cholesterol" or "no chemical preservatives" are incompatible with the ingredients used in the manufacture of the products – such as the presence of animal fat in butter and cheese (Davies and Wright, 1994). Those who are aware of the relationship between cholesterol and heart disease, or those who are generally health conscious and are likely to regard such product information as highly relevant to them (Bowbrick, 1992; Roberts, 1991; Nelson, 1990).

2.3.3. Selective Perception Model

How can a pack capture the attention of one shopper? Schiffman and Kanuk (1983) examine several aspects of human perception based primarily on the experimental and cognitive psychologists' work. They argue that there are a host of potential distractions from your product competition in a typical supermarket, other shoppers, smells wafting from other sectors, sounds inside and outside the store. Yet the shopper manages to accomplish the mission of shopping regularly. This is because the shopper "perceptual exercises selectivity." This selectivity is influenced by two internal factors:

1. Past experience (what the shopper expects to see, known as perceptual set)
2. Current motives (needs, wants or desires, interests and values)

Of course, the essence of the stimulus (the pack's design features) would also have a way to assess how the pack is heard and how it is viewed. While a package will signal its relevance to the needs and desires of its target market shopper, it will also need to stand out in a show of many other deals. Schiffman and Kanuk (1983) note: "Contrast is one of the most

remarkable. Schiffman and Kanuk (1983) note, “Contrast is one of the most attention-compelling attributes of a stimulus”.

How distinctive a pack design should be is a matter of fine judgment and it may be appropriate, as already mentioned, for some preliminary customer analysis to understand the packaging norms of a product category when a new company enters a new market or rolls out a product internationally. However, there is generally a need for the pack to be distinctive in appearance (though some own-label brands attempt to look similar to successful proprietary brands).

The Selective Perception Model is therefore the most relevant model for this study from the theoretical approaches discussed above, as it gives packaging features a key role in the process of product selection for consumers.

2.4.Packaging Characteristics

A review of the relevant literature indicates that there are four main packaging elements potentially affecting consumer brand preference. They can be separated into two categories; visual and informational elements. The visual elements consist of graphics and color, size and shape of the packaging. Informational elements relate to product information and information about the technologies used in the package (innovation).

2.4.1. Packaging Graphic and Color

Marketing literature reveals that package colors have the ability to evoke feelings, emotions behaviors in different consumers (Mutsikiwa, & Marumbwa, 2013). Colors have the potential to create a profound and long-lasting impression and image about the product or brand. In the packaging of products, marketers use colors to catch the customers’ attention, which in turn creates either a negative or a positive feeling about the particular product/brand. Asadhollahi & Givee (2007) proposed that the package colors communicate, reflect and exhibit some salient features and intangible attributes of the brand. For that reason, the colors convey special messages about the brands, which ultimately create a unique selling proposition. However, it is important to note that, in packaging soft drink products, the primary package colors usually take the colors of the actual product since most soft drink products packaging bottles are transparent. Companies use different colors for stressing a different mood, like, black is used for power, blue for trust, red for energy, green for balance or organic and fresh. Color is an essential element of packaging because consumers expect certain type of colors

for particular products (Keller, 2009). Different colors also symbolize different meanings to consumers. For example, orange, yellow, purple they have different meanings according to the consumer perception and culture. According to Singh (2006), color perceptions differ across cultures and most of the religions are believed to have their blessed colors.

The importance of graphics is explained by the images created on the package, whether these images are purposely developed by the marketer, or unintended and unanticipated. Graphics include image layout, color combinations, typography, and product photography, and the total presentation communicates an image. For consumers, the package is the product, particularly for low involvement products where initial impressions formed during initial contact can have a lasting impact. As one of the product attributes that most directly, communicate such messages to the target consumers (Nancarrow, Wright, and Brace, 1998), the design characteristics of the package need to stand out in a display of many other offerings.

Different people respond to different packages in different ways, depending on their involvement (Vakratsas and Ambler, 1999). Since valuation of attributes is less important in low involvement decision making, a highly noticeable factor such as graphics and color becomes more important in the choice of a low involvement product (Grossman and Wisenblit, 1999). On the other hand, the behavior of consumers towards high involvement products is influenced less by image issues. For low involvement, there is a strong impact on consumer decision making from the development of the market through marketing communications, including image building (Kupiec and Revell, 2001).

Many consumers today shop under higher levels of perceived time pressure, and tend to purchase fewer products than planned (Herrington and Capella, 1995; Silayoi and Speece, 2004). Products purchased during shopping excursions often appear to be chosen without prior planning and represent an impulse buying event (Cheung, & Hausman, 2000). A package that attracts consumers at the point of sale will help them make decisions quickly in-store. As the customer's eye movement tracks across a display of packages, different new packages can be noticed against the competitors. When look over packages in the supermarket, the differential perception and the positioning of the graphics elements on a package may make the difference between identifying and missing the item (Herrington and Capella, 1995).

2.4.2. Packaging Size and Shape

Size and shape also appear as a crucial dimension. One way in which consumers appear to use these things is as a simplifying visual experimental to make volume judgments. Generally, they perceive more elongated packages to be larger, even when they frequently purchase these packages and have experience using them. Disconfirmation of package size after consumption may not lead consumers to revise their volume judgment sufficiently in the long term, especially if the discrepancy is not very large (Raghubir and Krishna, 1999).

Different packaging sizes potentially appeal to consumers with slightly different involvement. For example, for some low involvement drink products, such as generics, low price is made possible through cost savings created by reduced packaging and promotional expenses. Since generics are usually packaged in large sizes, this directly provides to the needs of consumers from larger households, who are more likely to be specifically looking for good deals. They find the low price of the generics, in larger packaging, is an attractive offer with excellent value for money (Prendergast and Marr, 1997). In addition, this could imply that when product quality is hard to determine, the effect of packaging size is stronger. Thus, elongating the shape, within acceptable bounds, should result in consumers thinking of the package as a better value for money and result in larger sales generally. However, many other aspects of packaging could also possibly affect perceived volume, such as aspects of package shape, color, material, and aesthetic appeal. Yet, though, there is little research available on any of these other aspects.

2.4.3. Printed Product Information

One of the packaging's roles is to communicate product information, which can support consumers in making their decisions carefully. An example of such significant information is drink labeling. The trend towards healthier dieting has emphasized the importance of labeling, which allows consumers the chance to cautiously consider alternatives and make informed food choices (Coulson, 2000). The packaging layout is important for information presentation. One recent survey on food labeling found that 90 percent of respondents agreed that nutritional information panels should be laid out in the same way for all food products so that they are easy to understand quickly (Mitchell and Papavassiliou, 1999).

However, packaging information can create confusion by conveying too much information, and misleading and inaccurate information. To maximize the information carried on products, manufacturers often use very small fonts in dense writing styles. This reduces readability and

sometimes causes confusion. Mitchell and Papavassiliou (1999) suggest that one major way consumers reduce confusion from information overload is to narrow down the choice set. Considering fewer alternative brands and evaluating fewer attributes decreases the probability that the consumer will be confused by excessive choice and information overload. This strategy could apply to more experienced consumers because heavy users possibly look at fewer brand alternatives. In other words, experience makes consumers selectively perceptive and restricts the scope of their search (Cheung, & Hausman, 2000). Confusion can also affect consumer decision quality and can weaken consumer rights to safety and information. Therefore, there are trade-offs between cognitive effort and decision-making accuracy. The balance between information and choices is needed in order to decrease the trouble of purchase decisions. In the context of soft drinks, many information in the package is less of a problem since often times the amount of information on soft drink bottle is limited so that it does not create a problem. Thus, package information would be more useful in soft drink products.

Hughes, Hutchins, and Karathanassi, (1998) point out that the involvement level reflects the extent of personal relevance of the decision to the individual in terms of basic values, goals, and self-concept. Highly involved consumers evaluate message information more carefully, relying on the message to form their attitudes and purchase intentions (Vakratsas and Ambler, 1999; Silayoi and Speece, 2004).

2.4.4. Packaging Innovation

The role of packaging in marketing communications is further advanced by recent developments in technology (McNeal and Ji, 2003). Silayoi & Speece (2004) highlight that technology developed for packaging comes from the current trends in products and consumer behaviors. Packaging innovation in this vibrant environment must be consumer-oriented, meet the green marketing agenda, meet the nutritional requirements of the general public, must be efficiently manufactured, and should have a long shelf life and meet the drink safety requirements of the people.

Silayoi & Speece (2004) view that technology that comes in with a package plays a big role and thus forms a special form of the informational element. Deliya & Parmar (2012) view those innovative packaging increases the value of the goods if it meets consumer needs. In most cases, customers accept a product if its package is well innovated, thus product innovation plays a pivotal role in consumer decision making of FMCG products. As part of

product innovation, font style is also important. Deliya & Parmar (2012) affirm that the font style of packaging grabs customer attraction.

Therefore, bringing innovation in the packaging design increase the value of the product in the consumer mind. Original packaging can attract consumers, but practicality is equally important. Innovative packaging may actually add value to the product if it meets a consumer needs. However, its practicality is also very important for creating the benefit, like easily opening, easily stored, recyclable, etc. Nowadays, manufacturers try to design packaging that maintains the key equities of the brand in order to appeal to customers' needs and preferences.

2.5. Consumers Brand Preference

Dall'Olmo Riley (2009), the American Marketing Association defines brand as a name, term, sign, symbol, or design, or combination of them, intended to identify the goods or services of one seller or group of sellers and to differentiate them from those of competitors. According to Philip Kotler/Gary Armstrong (2008) brand is defined as a "name, term, sign symbol (or a combination of these) that identifies the maker or seller of the product". Therefore, a brand is a distinguishing name and/or symbol (such as a logo, trademark, or package design) anticipated to identify the goods or services of either one seller or a group of sellers and to differentiate those goods or services from those of competitors. According to Keller (2003:3), the key to creating a brand is to be able to choose a name, logo, symbol, package design or other attributes that identify a product and distinguish it from others. The different elements of a brand that identify and differentiate it can be called brand elements. Consumers may evaluate the same product differently depending on how it is branded. They learn about brands through experiences with the product and its marketing program, finding out which brands satisfy their needs and which do not. Chernatony and McDonald 1998 and Ghodeswar (2008) define brand as an identifiable product, service, person or place, augmented in such a way that the buyer or user perceives relevant, unique added values which match their needs most closely. Hence, companies may employ different marketing strategies for their brand to be successful and preferred by consumers other than competitor's brands.

The view of preference has been considered in different disciplines such as economists, psychologists, sociology. However, there is no commonly agreed definition of preference among these disciplines. For example, economists believe that preferences are exogenous, stable, and known with adequate precision and are revealed through choice behavior. The

economic view of preference had been criticized for assuming preferences are stable and endogenous. An individual's preferences are not stable and can be endogenous or exogenous.

In marketing literature, the word preference means the desirability or choice of an alternative. Preferences are above all behavioral tendencies (Zajonc and Markus, 1982). Brand preference is defined variously as the consumer's tendencies toward a brand that varies depending on the salient beliefs that are activated at a given time; the consumer biasness toward a certain brand; the extent to which a consumer favors one brand over another.

For this study, a working definition for brand preference is presented: "the biased behavioral affinities reflecting the consumer's tendency toward a brand". Moreover, there is a difference between brand preference and brand loyalty. Brand preference represents attitudinal brand loyalty excluding the action of repeat purchasing; the brand-oriented attitudinal loyalty. Brand preference is closely related to brand choice that can facilitate consumer decision making and activate brand purchases. Knowing the pattern of consumer preferences across the population is a critical input for designing and developing a packaging design that wins the mind and heart of its target audience.

2.6.Review of Empirical Literatures

According to Panwar (2004) Packaging is the act of containing, protecting, and presenting the contents through the long chain of production, handling, and transportation to their destinations in as good a state, as they were, at the time of production. Packaging is also an important part of the branding process as it plays a role in communicating the image and identity of a company (Sajuyigbe, Bosede, & Adeyemi, 2013).

Alice Louw (2006) said that packaging is also important in the marketing environment. According to him, the best packaging leaves a good image of the product in the consumer's mind. Harckham (1989) notes that package is the shopper's avenue to the product because it often projects the initial impression he/she forms about a brand, its quality, or value. For products that are not purchased in their final form, such as many drink items, the shopper frequently relies on the package to develop an impression of the product in its prepared state. This shows that there is a difference between a package and packaging.

Lewis (1991) extended Pilditch's (1961) views, describing good packaging as far more than a salesman, but a flag of recognition and a symbol of values. Underwood (2003) claimed that packages were having intrinsic or extrinsic attributes based on certain features they possess.

Vazquez, Bruce, and Studd (2003) further stated that today, the pack must come alive at the point of purchase, to represent the salesperson. Today packages are designed to charm to different occasions, demand different social groups and even distinguish between different brands.

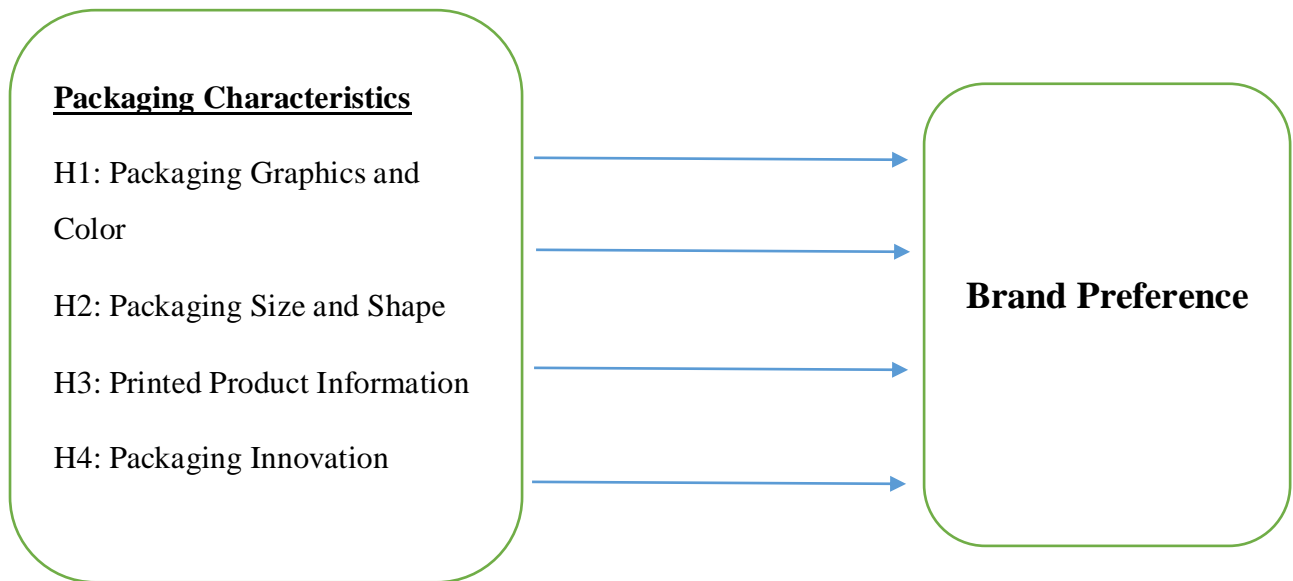
Many experts have studied the concept of packaging design in connection with spontaneous brand preference. Essentially, the combination of physical packaging and written communication regarding product content are the basics of current packaging designs (Klimchuk & Krasovec, 2007). Nilsson & Ostrom (2005) stated that the packaging design contains three constitutive elements: shape, color, and graphic. Later Ampuero & Vila (2006) state that packaging design has two dimensions: graphic and structure.

According to the three cited sources (Nilsson and Ostrom, 2005; Ampuero and Vila, 2006; and Klimchuk and Krasovec, 2007), the packaging design variable has the following constructive dimensions: graphic design, with brand name, color, typography, and image as sub-dimensions; structure design, with shape, size, and material as sub-dimensions; and product information. Packaging design consists of various elements or positive dimensions whose function is to influence consumers in their purchasing decisions.

Silayoi and Speece (2004) state the importance of packaging design as an emerging communication and branding device in the competitive packaged food market. The study found that the elements of packaging are the main factors in the assessment and decision of household product purchases. Nilsson and Ostrom (2005), in their study titled Packaging as a brand communication vehicle, state that concerning packaging design there are no perceptual differences between men and women.

2.7. Conceptual Framework and Hypothesis of the Study

Figure 2.6: Proposed Framework



Source: Adapted from packaging and purchase decisions by Silayoi & Speece (2004).

The basic purpose of this model is to measure and evaluate the effects of packaging characteristics in context with consumer brand preference in the case of soft drink products.

The following hypotheses were formulated to be tested using appropriate statistical tools.

H1: The packaging graphics and color have a positive and significant influence on consumer brand preference of soft drink products.

H2: The packaging size and shape have a positive and significant influence on consumer brand preference of soft drink products.

H3: The printed product information have a positive and significant influence on consumer brand preference of soft drink products.

H4: The packaging innovation have a positive and significant influence on consumer brand preference of soft drink products.

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

3.1.Introduction

This chapter deals with the research design and methodology aspect of the research. The research design, sampling and population techniques, instrument of data collection, procedure of data collection, methods of data analysis, and reliability and validity test are discussed in detail.

3.2.Research Design

A research design refers to a complete plan for a data collection in an empirical research project. It is a “blueprint” for empirical research aimed at answering specific research questions or testing the proposed hypothesis (Bhattacharjee, 2012). This research follows a quantitative research design.

Using a convenience-sampling, data was collected from a population of soft drink consumers in Addis Ababa through structured questionnaires adopted from extensively cited research works by Winnie C. Ruto (2015).

Descriptive analysis was undertaken followed by reliability tests to make sure the measurements are consistent, and adequately cover the construct under study. Statistical Package for the Social Sciences (SPSS) was used to investigate the causal relationships between the independent and dependent variables under study.

3.3.Population and Sampling Techniques

The population for this study comprises soft drink consumers in Addis Ababa who consume soft drink products, and they are determined, active, and looking for a refreshing drink in their everyday life. Data was collected using an online questionnaire form (Google Form) in Addis Ababa, Ethiopia.

The study used a non-probability convenience sampling technique. This method is selected because it is not realistic to use a probability sampling techniques, as it is difficult to take in to account all soft drink consumers in Addis Ababa.

A sample refers to a subset of a population selected for observation and statistical inference about the population (Bhattacharjee, 2012). To undertake this consumer survey, the sample

size for the study must be defined first. An estimation of the appropriate sample size was calculated by using a formula stated in Figure 8 below. In order to determine the sample size, a judgment about the confidence level and the maximum allowance for random sampling error should be determined. An estimation of the expected proportion of success must also be considered (Kothari, 2004). In this case, a more conservative proportion of success (p) which is 50% was selected together with a level of confidence of 95% (z), a sampling error no greater than 5% (e). This resulted in a sample size of **384** people for the study.

Figure 3.1 Statistical Formula to Determine the Sample Size Adopted from Kothari (2004)

$$n = \frac{z^2 \cdot p \cdot q}{e^2} \quad n = \text{Sample size}$$

e = Acceptable error

p = Proportion of success

q = Proportion of failure

z = Standard variant at a given confidence level

3.4. Instruments of Data Collection

To achieve the objectives of this survey research and effectively undertake data analysis in the later stages of the research, a structured questionnaire was used to collect information from respondents. Structured questionnaires are important as they could be aggregated into composite scales for statistical analysis (Bhattacharjee, 2012).

The structured questionnaires had statements, which measured variables such as packaging graphics and color, packaging size and shape, printed product information, packaging innovation, and brand preference. A five-point Likert scale ranging from “I strongly disagree to I strongly Agree” was used to record data from respondents. These constructs used in the study were taken from studies from Winnie C. Ruto (2015).

3.5.Procedures of Data Collection

Hwanga, Yoo-Shik, & No-Hyeunp, (2000) stated that respondents who are exposed to or had experience with a particular brand are better suited to provide a reliable and valid response to the questionnaire. The respondents were asked if they have tried any soft drink products and if they are willing to participate in the survey. Then they were given questionnaires to fill in their thoughts based on their perceptions, experience and prior exposures.

3.6.Methods of Data Analysis

After data is collected and organized, it was analyzed using Statistical Package for the Social Sciences (SPSS). The descriptive analysis was taken place to present the respondent's demographic characteristics. Descriptive statistics such as mean, percentages and frequency distributions, were prepared before a deeper analysis of data. Correlation analysis was used to determine the relationship between packaging characteristics and consumer brand preference. Regression analysis was also used to determine the predictive value of the four packaging characteristics and consumer brand preference respectively.

3.7.Reliability and Validity Test

Reliability Test

The most common measure of the reliability of a measurement scale is Cronbach's alpha, which is often considered as the lower bound estimate of reliability (Raykov, 1997). Most researchers consider a Cronbach's alpha value of more than 0.7 and above as an indicator of high internal consistency of the measurement scales (Hair, Anderson, Tatham, and Black., 1998).

In this study, Cronbach's alpha is well over 0.7 and all 48 items of the five constructs were found to be reliable and hence, internally consistent. The result of the reliability measure is presented in table 3.1 below.

Table 3.1 Cronbach's Alpha Reliability Test

Measurement Scale	Cronbach's Alpha	Number of Items
Packaging Graphics and Color	0.864	16
Packaging Size and Shape	0.735	13
Printed Product Information	0.707	9
Packaging Innovation	0.780	4
Consumer Brand Preference	0.781	6

Source: own survey finding 2020

Validity Test

Validity defined as the extent to which data collection method accurately measure what they were intended to measure (Saunders, 2009). Validity is the degree to which an instrument measures what it is supposed to measure (Bryman and Bell, 2003).

A number of different steps were taken to ensure the validity of the study.

- First before data were collected the content validity of the instrument was ascertained via feedback from experts in academia.
- Proper detection by an advisor was taken to ensure validity of the instruments.
- In addition, the content validity is ascertained by adopting a data collection instrument from past researches.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

4.1.Introduction

The general objective of this research was to find out the effects of packaging characteristics on consumer brand preference of soft drink products in Ethiopia. To achieve the mentioned objective data was collected, analyzed, and interpreted from the participants. This chapter presents the demographic profile of the study samples along with their soft drink brand awareness, preference, and drinking habits. In addition, the chapter also presents the results of the analysis of the correlation and regression using SPSS 25.0 software. Regression analysis was used to test the hypotheses of the study and correlation was conducted to determine the relationship between packaging characteristics and consumer brand preference.

Overall response rate

A total of 384 questionnaires were distributed from which 370 were returned which accounts 96.35% response rate. All the responses (100%) are accepted since there was no missing values from the questionnaires.

4.2.Demographic Characteristics of the Samples

Table 4.1 below described, the majority of the respondents surveyed are young-aged consumers between the ages of 16-25 years accounting for 48.6% of the total respondents followed by consumers aged between 26-35 years and 36-45 years who are 44.8% and 6.6% of the total respondents respectively. Consumers above the age of 45 year constituted less than 1% of the total respondents in this survey.

Most of the respondents in this survey are male (59%) while females account for 41% of the respondents.

Regarding level of education, the majority of the respondents are bachelor-degree holders (68.6%), masters-degree holders (18.1%), diploma holders (7.6%), 12th grade complete (4.9%), and under 12th grade and Ph.D., holders are less than one percent.

Table 4.1 Demographic Characteristics and Soft Drink Consumption Habits of the Respondents

Variables	Description	Frequency	Percentage
Age	16-25 years	178	48.6
	26-35 years	164	44.8
	36-45 years	24	6.6
	Above 45 years	0	0
Gender	Male	218	59
	Female	152	41
Education Level	Under 12th grade	2	0.5
	12th grade complete	18	4.9
	Diploma	28	7.6
	Bachelor's Degree	254	68.6
	Master's Degree	67	18.1
	PhD	1	0.3
Brand Awareness	Coca Cola	350	94.7
	Pepsi	305	83.3
	Fanta	303	82.8
	Merinda	308	84.2
	Sprite	304	83.1
	7 Up	296	80.9
Brand Usage	Coca Cola	197	53.2
	Pepsi	20	5.4
	Fanta	40	10.8
	Merinda	38	10.3
	Sprite	65	17.6
	7 Up	7	1.9
	Others	3	0.8
How often do you consume soft drink products	Always	51	13.7
	Sometimes	316	85.5
	Never	3	0.8

Source: own survey finding 2020

As indicated in the table above, Coca Cola is the most known brand among the respondents (94.8%), followed by Merinda (84.2%), Pepsi (83.3%), Sprite (83.1%), Fanta (82.8%), and 7 Up (80.9%). In addition, Coca Cola has the highest usage among the respondents (53.2%), followed by Sprite (17.6%), Fanta (10.8%), Merinda (10.3%), Pepsi (5.4%), 7 Up (1.9%), and others (0.8%).

Generally, 85.5% of the respondents consume/use soft drink products sometimes, 13.7% consume always and less than 1% of the respondents never consumed soft drink products.

4.3.Descriptive Statistical Results

To perform correlation and linear regression analysis on the data, the researcher has created an index for each of the constructs or variables that represent the value of the construct by averaging the subject responses to items (see table 4.2).

Table 4.2 Mean and Standard Deviation for Packaging Attributes and Brand Preference

Variables	N	Mean	Std. Deviation
Packaging Graphics and Color	370	4.1303	0.60588
Packaging Size and Shape	370	3.9769	0.55142
Packaging Innovation	370	4.3736	0.67330
Printed Product Information	370	4.2925	0.50166
Consumer Brand Preference	370	4.2405	0.61775

Source: own survey finding 2020

Table 4.2 indicates that packaging innovation and printed product information have the highest mean value of 4.37 and 4.29 respectively. Packaging size and shape has the least mean value of 3.977. Therefore, it is concluded from the above table that respondents were more concerned with packaging innovation and packaging product information on Soft drink products packaging. Consumers were less attracted to packaging size and shape and graphics and color at a mean of, 3.977, and 4.13, respectively. On the upside, the overall consumer brand preference is recorded the third highest mean score of 4.24 that implies consumer showed an interest to buy soft drink products.

4.4. Tests for The Assumption of Regression Analysis

In order to check the effectiveness of the data and use the model to make prediction the following four assumptions namely normality, multicollinearity, autocorrelation, and homoscedasticity are conducted and discussed as follows.

4.4.1. Normality Test

The normality of the population distribution is the basis for making statistical inferences about the sample drawn from the population (Kothari, 2004). Most studies, which involve statistical procedure, work under the assumption that observations have normal distribution. Any violation of the normality rule may lead to overestimation or underestimation of the inference statistic (Marczyk, Geoffrey, DeMatteo, & David, 2005). In order to examine normality one has to measure each variable's skewness, which looks at lack of symmetry of distribution, and kurtosis, which looks at whether data collected, are peak or flat with relation to normal distribution (Marczyk, Geoffrey, DeMatteo, & David, 2005).

Table 4.3 below describes the level of skewness and kurtosis for the five constructs. The general rule-of-thumb for test of normality varies depending on the nature of the research. The common one mostly suggested mentioned in literature for both kurtosis and skewness to be between -2 and +2 (George & Mallery, 2010). As indicated in the table below, skew and kurtosis measures for this study are well within that range between -2 and +2 values. Therefore, the data for this study is normally distributed.

Table 4.3 Skewness and Kurtosis

Construct	Skewness	Kurtosis
Packaging Graphics and Color	-0.878	0.198
Packaging Size and Shape	-0.836	0.556
Printed Product Information	-1.145	1.317
Packaging Innovation	-1.043	0.551
Brand Preference	-0.672	-0.279

Source: own survey finding 2020

4.4.2. Multicollinearity Test

Multicollinearity exists when there is a strong correlation between two or more predictors in a regression model (Saunders, 2007) there should be no perfect linear relationship between two or more predictors.

Table 4.4 VIF Values of Predictors

Coefficients^a			
Model		Collinearity Statistics	
		Tolerance	VIF
1	Packaging Graphics and Color	0.315	3.173
	Packaging Size and Shape	0.302	3.309
	Printed Product Information	0.492	2.032
	Packaging Innovation	0.481	2.079

a. Dependent Variable: Consumer Brand Preference

Source: own survey finding 2020

Variable Inflation Factor (VIF) technique was used. The VIF is a measure of the reciprocal of the complement of the inter-correlation among the predictors: $VIF = 1 / (1 - r^2)$. The decision rule is a variable with VIF value of greater than 10 indicates the possible existence of multicollinearity problem. Tolerance (TOL) defined as $1/VIF$, it also used by many researchers to check on the degree of collinearity. The decision rule for Tolerance is a variable whose TOL value is less than 0.1 shows the possible existence of multicollinearity problem (Gujarati, 2004). The above table 4.4 showed that VIF values for all variables turn out to be less than the tolerable value, i.e. 10. And Tolerance value of all variables also became above 0.1 which indicates that this model is free from multicollinearity problem between the independent variables.

4.4.3. Auto Correlation Test

Regression analysis is based on uncorrelated error/residual terms for any two or more observations (Kothari, 2004). This assumption is tested for each regression procedure with the Durbin-Watson test, which test for correlation between variables residuals.

Table 4.5 Autocorrelation Test

Model Summary^b					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.762 ^a	0.581	0.576	0.40217	1.567
a. Predictors: (Constant), Packaging Innovation , Packaging Graphics and Color, Printed Product Information, Packaging Size and Shape					
b. Dependent Variable: Consumer Brand Preference					

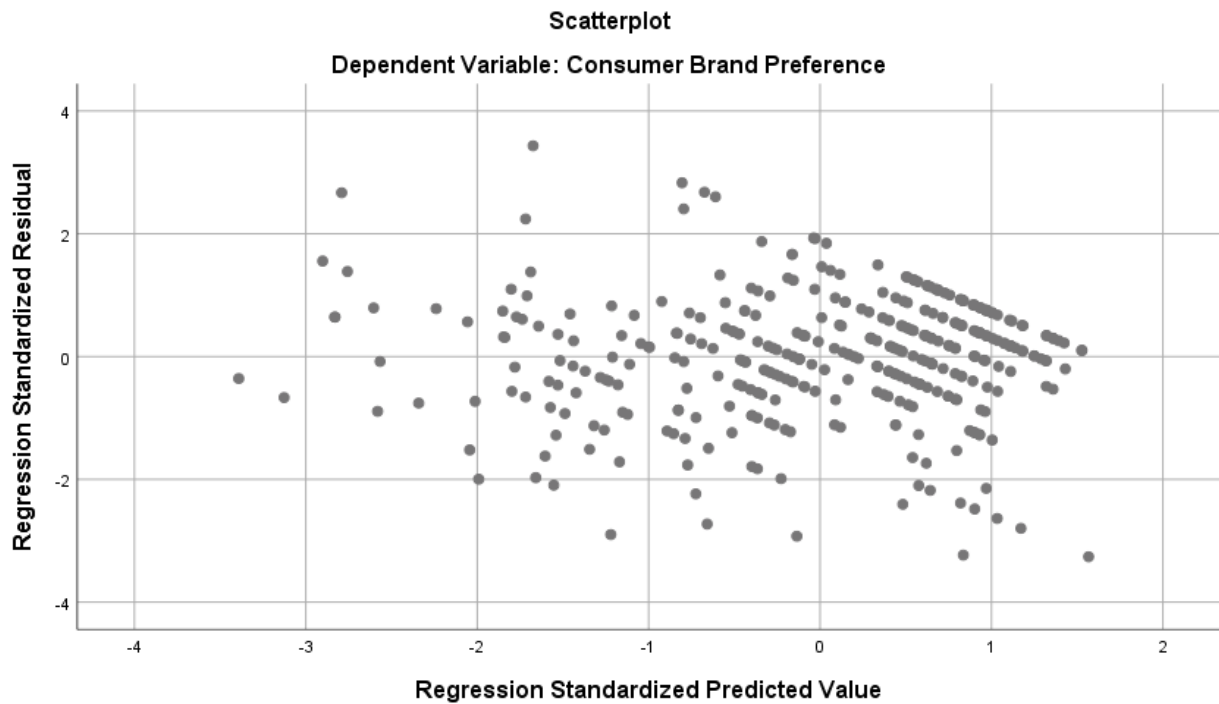
Source: own survey finding 2020

The test statistic can vary between 0 and 4 with a value of 2 meaning that the residuals are uncorrelated (Field, 2009). A value greater than 2 indicates a negative correlation between adjacent residuals, whereas a value below 2 indicates a positive correlation. Generally, the residuals are independent (not correlated) if the Durbin Watson statistic is approximately 2, and an acceptable range is 1.50 - 2.50 (Muluadam, 2015). In this study the Durbin-Watson value was 1.567, which is in the acceptable range, therefore it can be confirmed that the assumption of independent error has almost certainly been met, means there is no auto correlation.

4.4.4. **Homoscedasticity Test**

The assumption of homoscedasticity (meaning “same variance”) is central to linear regression models. Homoscedasticity describes a situation in which the error term (that is, the “noise” or random disturbance in the relationship between the independent variables and the dependent variable) is the same across all values of the independent variables. Heteroscedasticity (the violation of homoscedasticity) is present when the size of the error term differs across values of an independent variable. The impact of violating the assumption of homoscedasticity is a matter of degree, increasing as heteroscedasticity increases.

Figure 4.1 Homoscedasticity Test



Source: own survey finding 2020

As shown in the above figure 4.1 the scatterplot has a rectangular shape, which means the model does not have heteroscedasticity and the assumption of homoscedasticity was not violated.

4.5. Correlation Analysis

To determine the relationship between packaging characteristics (packaging graphics and color, packaging size and shape, printed product information, and packaging innovation) and consumer brand preference, Pearson correlation was computed. Table 4.6 below presents the results of Pearson correlation on the relationship between packaging characteristics and consumer brand preference on soft drink products in Ethiopia.

Table 4.6 The Relationship between Packaging Characteristics and Consumer Brand Preference

Correlations					
	Packaging Graphics and Color	Packaging Size and Shape	Printed Product Information	Packaging Innovation	Consumer Brand Preference

Packaging Graphics and Color	Pearson Correlation	1	.814**	.597**	.609**	.606**
	Sig. (2-tailed)		0.000	0.000	0.000	0.000
	N	370	370	370	370	370
Packaging Size and Shape	Pearson Correlation	.814**	1	.614**	.623**	.685**
	Sig. (2-tailed)	0.000		0.000	0.000	0.000
	N	370	370	370	370	370
Printed Product Information	Pearson Correlation	.597**	.614**	1	.656**	.591**
	Sig. (2-tailed)	0.000	0.000		0.000	0.000
	N	370	370	370	370	370
Packaging Innovation	Pearson Correlation	.609**	.623**	.656**	1	.681**
	Sig. (2-tailed)	0.000	0.000	0.000		0.000
	N	370	370	370	370	370
Consumer Brand Preference	Pearson Correlation	.606**	.685**	.591**	.681**	1
	Sig. (2-tailed)	0.000	0.000	0.000	0.000	
	N	370	370	370	370	370
**. Correlation is significant at the 0.01 level (2-tailed).						

Source: own survey finding 2020

The results in table 4.6 indicate that, there is positive and significant relationship between all packaging characteristics and consumer brand preference. Packaging graphics and color $r=.606$, $p < .01$, packaging size and shape $r=0.685$, $p < .01$, printed product information $r=.591$, $p < .01$, and packaging innovation $r=.681$, $p < .01$. To measure the strength of the correlation Evans (1996) suggests for the absolute value of r : 0.00-.19 “very weak”, 0.20-.39 “weak”, 0.40-.59 “moderate”, 0.60-.79 “strong”, and 0.80-1.0 “very strong. Thus based on

Evans suggestion three independent variables (packaging graphics and color, packaging size and shape, and packaging innovation) fall between 0.6-0.685, which means they have strong correlation with consumer brand preference. Printed product information falls between 0.40-.59, which means it has moderate correlation with consumer brand preference.

4.6. Multiple Regression Analysis

Multiple regression analysis was employed to examine the effects of all packaging characteristics on consumer brand preference. The following subsections present the results of multiple regressions analysis.

Table 4.7 Model Summary

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.762 ^a	0.581	0.576	0.40217
a. Predictors: (Constant), Printed Product Information , Packaging Graphics and Color, Packaging Innovation , Packaging Size and Shape				

Source: own survey finding 2020

The R² value, 0.581 showed that the independent variables taken together (i.e., packaging graphics and color, packaging size and shape, printed product information, and packaging innovation) accounted for approximately 58.1 percent of the variations in the dependent variable (i.e., consumer brand preference for soft drink products). It indicates the contribution of packaging graphics and color, packaging size and shape, printed product information, and packaging innovation in explaining variance of consumer brand preference of soft drink products is 58.1%.

Table 4.8 ANOVA Results

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	81.780	4	20.445	126.409	.000 ^b
	Residual	59.034	365	0.162		
	Total	140.814	369			

a. Dependent Variable: Consumer Brand Preference
b. Predictors: (Constant), Printed Product Information , Packaging Graphics and Color, Packaging Innovation , Packaging Size and Shape

Source: own survey finding 2020

ANOVA is the appropriate statistical technique used to examine the effect of an independent variable on dependent variable. If the F test result is not significant, the model should be dismissed and there is no need to proceed to further steps (William, 2010). Based on the above table 4.8 the result in the ANOVA table confirmed the significance of the overall model by p-value of 0.000 which is below the alpha level, i.e. 0.05, which means, the independent variables (packaging graphics and color, packaging size and shape, printed product information, and packaging innovation) taken together have statistically significant relationship with the dependent variable (consumer brand preference) under study. Therefore, the overall regression model was significant.

Table 4.9 below shows that all the three independent variables, with the exception of Packaging Graphics and Color, have a significant and positive effect on the dependent variable.

Table 4.9 Multiple Regression Analysis

Coefficients^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.450	0.188		2.394	0.017
	Packaging Graphics and Color	0.002	0.062	0.002	0.038	0.969
	Packaging Size and Shape	0.433	0.069	0.387	6.273	0.000
	Packaging Innovation	0.334	0.045	0.364	7.460	0.000
	Printed Product Information	0.139	0.059	0.113	2.330	0.020

a. Dependent Variable: Consumer Brand Preference

Source: own survey finding 2020

4.7. Model Specification

Model specification for the study that depicted the effects of packaging characteristics on consumer brand preference in the soft drink products in Ethiopia is presented below.

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3 + b_4X_4 + e$$

Where;

a= The Constant intercept

b_i= The coefficient of the independent variables

Y: Consumer brand preference

X₁: Packaging graphics and color

X₂: Packaging size and shape

X₃: Printed product information

X₄: Packaging innovation

e=Error term

As the constant and b values are known. The linear regression equation was:

$$Y = .450 + .002X_1 + .433X_2 + .334X_3 + .139X_4 + 0.05$$

The model suggests that a unit change in packaging size and shape results in a 0.433 change in the consumer brand preference of soft drink products and that this is significant at p = .000. A unit change in packaging innovation results in a .334 change in the consumer brand preference of soft drink products and that this is significant at p = .000. A unit change in printed product information results in a .139 change in the consumer brand preference of soft drink products and that this is significant at p = .020.

Summary of the finding shows that H1b, H1c, and H1d are supported. However, there were no significant relationships between packaging graphics and color in the consumer brand preference of the soft drink products. Therefore, hypotheses H1a is rejected. Thus, it is conclusive that packaging graphics and color of soft drink products is not the determinants of consumer brand preference among the respondents. A summary of all the results for the hypothesis testing is shown in Table 4.10.

Table 4.10 Hypothesis Testing Summary

Hypothesis	Result
H1a: The packaging graphics and color have a positive influence on consumer brand preference of soft drink products.	Do Not Reject The Null Hypothesis (p= .969, which is > .05)
H1b: The packaging size and shape have a positive influence on consumer brand preference of soft drink products.	Reject The Null Hypothesis (p= .000, which is < .05).
H1c: The printed product information has a positive influence on consumer brand preference of soft drink products.	Reject The Null Hypothesis (p = .020, which is < .05).
H1d: The packaging innovation has a positive influence on consumer brand preference of soft drink products.	Reject The Null Hypothesis (p =.000, which is < .05).

Source: own survey finding 2020

Hypothesis One (H1a): The packaging graphics and color have a positive and significant influence on consumer brand preference of soft drink products (Do Not Reject the Null Hypothesis).

There were no significant relationships between packaging graphics and color and consumer brand preference of the soft drink products (p = .969, which is greater than the maximum value .050).

Asadhollahi & Givee (2007) suggest that the package colors communicate, reflect and exhibit some salient features and intangible attributes of the brand. It therefore means that the colors convey special messages about the brands, which ultimately create a unique selling proposition. However, it is important to note that, in packaging soft drink products, the package colors usually take the colors of the actual product since most soft drink products packaging bottles are transparent.

Thus, in this case graphics and color were not one of the most significant packaging characteristics among the research respondents.

Hypothesis Two (H1b): The packaging size and shape have a positive and significant influence on consumer brand preference of soft drink products (Reject the Null Hypothesis).

There was a significant relationship between packaging size and shape and consumer brand preference of the soft drink products ($p = .000$, which is less than the maximum value $.050$).

In the soft drink market, larger households may choose a soft drink based on package size as these provide cost savings and hence offer excellent value for money (Prendergast and Marr, 1997). Thus, elongating the shape, within acceptable bounds, should result in consumers thinking of the package as a better value for money and result in larger sales generally.

Hypothesis Three (H1c): The printed product information has a positive and significant influence on consumer brand preference of soft drink products (Reject the Null Hypothesis).

There was a significant relationship between printed product information and consumer brand preference of the soft drink products ($p = .020$, which is less than the maximum value $.050$).

Coulson (2000) suggests that the trend towards healthier dieting has emphasized the importance of labeling, which allows consumers the chance to cautiously consider alternatives and make informed food choices. In addition, Vakratsas and Ambler (1999); Silayoi and Speece (2004) suggests that more highly involved consumers evaluate message information more carefully, relying on the message to form their attitudes and purchase intentions

Hypothesis Four (H1d): The packaging innovation has a positive and significant influence on consumer brand preference of soft drink products (Reject the Null Hypothesis).

There was a significant relationship between packaging innovation and consumer brand preference of the soft drink products ($p = .000$, which is less than the maximum value $.050$).

This finding is in line with Deliya & Parmar (2012), who suggested that innovative packaging increases the value of the goods if it meets consumer needs. In most cases, customers accept a product if its package is well innovated, thus product innovation plays a pivotal role in consumer decision making of FMCG products.

Silayoi and Speece (2004), suggests that there may not be a single ideal design for the whole market, but the single package would probably need to have a technology image, which clearly conveys convenience and ease of use; list clear product information, and have more classic shape. The results of this research also shows that packaging size and shape have the most significant effect among the three accepted independent variables on consumer brand preference of soft drink products followed by packaging innovation and printed product information respectively.

CHAPTER 5

SUMMARY, CONCLUSION AND RECOMMENDATION

5.1.Introduction

This chapter presents the summary, conclusions and recommendation derived from the data analysis carried out in the previous section. Further area of research that may be of interest for other researchers were also described.

5.2.Summary of Findings

This thesis aimed to examine the effect of packaging characteristics on consumer brand preferences. Data was collected from 370 participants and most of the respondents were male (59%) while females account for 41% of the respondents. Coca Cola is the most known (awareness) and consumed soft drink brand in Ethiopia.

The research result shows that there is a positive and significant correlation between all packaging characteristics and consumer brand preference. However, as the regression result showed that packaging size and shape have the most significant effect among the three accepted independent variables on consumer brand preference of soft drink products followed by packaging innovation and printed product information respectively.

5.3.Conclusion

This chapter presents the conclusions derived from the major findings from the study.

With a population of more than 110 million people, Ethiopia is the second most populous country in Africa and represents a largely untapped consumer market. There is growing demand for carbonated soft drink products year on year and the major soft drink players (East Africa Bottling Company and MOHA) are fighting head to head to win market share and in the minds and hearts of consumer with their different marketing activities.

The paper aimed to contribute to the theoretical understanding of the effects of the packaging characteristics on the brand preference of soft drink products in Ethiopia specially Addis Ababa City. It examined the effect of four major variables (i.e., packing graphics and color, packaging size and shape, packaging printed information, and packing innovation) on consumer brand preference of soft drink products.

Through verbal and pictorial symbols, packaging can inform the potential buyers about the content of product, characteristics, proper usage, and country of origin, benefits and risks.

Packaging graphics and color did not have a significant effect on consumer brand preference of soft drink products ($p = .969$). This means packaging graphics and color have a low effect on consumer brand preference of soft drink products. This could be mostly because in soft drink products packaging, the package colors and graphics usually take the colors of the actual product (transparent packaging).

The results indicated that packaging size and shape have a significant and positive effect on consumer brand preference of soft drink products ($p = .000$). It can be inferred from this result that consumers are inclined to prefer soft drink products with attractive packaging size and shape, especially with smaller packaging size and convenient to hold and curvy packaging shape.

The study also found a significant and positive effect of printed product information on consumer brand preference of soft drink products ($p = .020$). A clear nutritional and content information presented on the package have higher value to soft drink consumers and will affect their brand preference.

The study also found a significant and positive effects of packaging innovation on consumer brand preference of soft drink products ($p = .000$). Consumers prefer a soft drink product with innovative packaging design: interactive, convenient, and exciting. Therefore, consumer want some innovative packaging design, which attract them and shade a different light towards the brand. In addition, comparison of the Beta value of ($B = 0.364$) for packaging innovation to that of packaging size and shape ($B = .387$), shows that packaging innovation is an important variable affecting consumer brand preference following packaging size and shape.

5.4.Recommendations

Based on the findings and conclusions of the study, the following recommendations are forwarded for other researchers and marketing practitioners.

- Packaging graphics and color do not have a significant contribution on the consumer's brand preference of soft drink products since most of the soft drink products use a transparent packaging. Further enquiry has to be made using interview or focus group discussion for more explanation.

- As shown in the result, the packaging size and shape is the most significant element of packaging that influences consumer's brand preference of soft drink products. This shows that marketers must consider the size and shape when designing package for the soft drink products that would appeal to and attract consumers. Evidently, the smaller sizes are convenient to carry, and consumers find them more convenient than the bigger sizes when selecting a soft drink product especially for on the go consumption. Regarding the shape consumer, prefer a soft drink product with curvy and dynamic shape that appeals in the blink of an eye. In addition, larger size may be important because it may show value for money.
- Marketers must consider the printed informational elements of packaging during the design of a package for soft drink products. According to the research, information was one of the most considered element of packaging of soft drink product. This includes manufacture/expiry date, environmental concern, brand name, ingredients, regulatory body approval, and place of origin. Therefore, marketers must place much emphasis on the informational element during package design for soft drink products. The research shows that the consumer prefers a soft drink package with clear and more information. Therefore, marketers must place much emphasis on how to clearly place enough information about the product by avoiding too much and vague information during the design of a soft drink package to win at the point of purchase.
- Packaging innovation should be the center of marketer's strategy since it has a significant positive effect on consumer brand preference of soft drink products. In addition to exciting and interactive packaging, easy to store and easy to carry innovative packaging designs will enhance the convenience of the consumer in buying and consuming the product. This will in turn increase the influence consumers brand preference.

Therefore, Soft Drink Marketers should give exceptional attention to Packaging Size and Shape, Packaging Innovation, and Printed product information to win in the minds and hearts of soft drink consumers.

5.5.Limitations and Areas of Future Research

The present study has several delimitations.

- The study considered only four major packaging characteristics of soft drink products. More packaging characteristics could be added for a better understanding of packaging effect on consumer brand preference of soft drink products.
- It focuses only on Addis Ababa city. Future studies could focus on major cities all over the country. Thus, the study can be extended to a national level to check if the findings are generalizable.
- Furthermore, the effects of packaging characteristics on consumer brand preference in terms of gender, income, education level and professional group differences can be further explored. Future research may find it useful to identify the profile of consumers who prefer small size as opposed to large size packages, which could be important for marketing communication and segmentation purposes.
- Since the result of the research is applicable to only soft drink products, in the future, the research can be extended to the bottled water and alcoholic beverages.

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APPENDIX: QUESTIONNAIRE

Addis Ababa University School of Graduate Studies, School of Commerce Questionnaire on "The Effects of Packaging Characteristics on Consumer Brand Preference: The Case of Soft Drink Products in Ethiopia"

Dear Respondent,

My name is Gelawdewos Aweke. I am currently working on research as part of my Master of Arts Degree in Marketing Management from the Addis Ababa University School of Commerce.

My study focuses on Soft Drink products in Ethiopia. Below you will find six (6) parts of a questionnaire designed to collect general information and statements that are designed to find out what affects your brand preference toward the soft drink products.

I kindly ask you to fill all questions in this questionnaire with full honesty and be assured that there is no right and wrong answer. Your honest opinion is invaluable for this study in terms of its contribution in making this study a success.

I am very thankful for the support you are giving me and I would like to assure you that all your responses would be kept confidential and will only be used for research purposes. You can contact me through +251 921 660 199 or gelaweke@gmail.com

Section A: General Information

In answering this part of the questionnaire, please use tick (☐) mark in the boxes provided.

1. Which soft drink brand do you know?

- Pepsi
- Fanta
- Coca-Cola
- Merinda
- Sprite
- 7 up
- Others

2. Age group

18 - 25 Years 26-35 Years 36-50 Years above 51 Years

3. How often do you consume soft drink products?

- Always
- Sometimes
- Never

4. Which soft drink product do you consume the most?

- Pepsi
- Fanta
- Coca-Cola
- Merinda
- Sprite
- 7 up
- Other

5. Gender

Male Female

6. Education background

Under 12th grade 12th grade complete Diploma
 Bachelor's Degree Master's Degree PHD

Section B: Graphics and Color

This section looks at the aspect of graphics and color and to what extent it influences your brand preference of soft drink brands. Tick, on the scale, provided a response that meets your level of agreement to the statements.

Statements	Strongly Disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)
I prefer a soft drink product with attractive packaging graphics					
I prefer a soft drink product with attractive artwork on the package design					

Graphics appeals to me					
Graphics communicates elegance					
A soft drink product package with attractive graphics communicates a product of high value					
A soft drink graphics on a package should relate to the product in the package					
I prefer graphics over a pictorial image on a soft drink product package					
I prefer a soft drink product because of packaging color					
I prefer a soft drink product with colorful packaging design					
I prefer a soft drink product with classy (less colorful) packaging design					
I prefer a soft drink product with dim or subdued color packaging design					
I feel that a dark colored soft drink package contains a product of higher quality					
A soft drink product package color should relate with the product it contain					
A soft drink product package color should relate with the brand color					
I prefer a soft drink product package that is see-through (transparent)					
Warm colored soft drink product packages (red, orange, yellow) appeal to me					

Section C: Size and Shape

This section looks at the aspect of size and shape and to what extent it influences your brand preference of soft drink brands. Tick, on the scale, provided a response that meets your level of agreement to the statements

Statements	Strongly Disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)
I prefer a soft drink product because of packaging size					
Larger soft drink packages are more noticeable and appealing					
Larger soft drink packages are associated with value for money					
I prefer a soft drink product with bigger packaging size					
I prefer a soft drink product with smaller packaging size					
I prefer a soft drink product with attractive packaging shape					
A soft drink product package shape that is abstract appeals to me					
A soft drink product package shape that is decorative appeals to me					
A soft drink product package shape is an indicator of the value of the product brand					
I prefer a soft drink product whose shape appears complete/whole					
I prefer a soft drink product with convenient to hold in my hand packaging shape					
I prefer a soft drink product with curvy packaging shape					
I prefer a soft drink product with straight packaging shape					

Section D: Product Information

This section looks at the aspect of product information and to what extent it influences your brand preference of soft drink brands. Tick, on the scale, provided a response that meets your level of agreement to the statements.

Statements	Strongly Disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)
I prefer a soft drink product because of packaging product information					
I prefer a soft drink product with clear product information packaging					
I prefer a soft drink product with vague product information packaging					
I prefer a soft drink product with more product information packaging					
I prefer a soft drink product with less product information packaging					
A soft drink product information on the package is important to me					
The information on a soft drink product package is more believable than when I see/read it on an advertisement					
I will recall soft drink product information better if the label is on the left hand side					
A soft drink product packaging crowded with too much information does not appeal to me					

Section E: Packaging Innovation

This section looks at the aspect of packaging innovation and to what extent it influences your brand preference of soft drink brands. Tick, on the scale, provided a response that meets your level of agreement to the statements.

Statements	Strongly Disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)
I prefer a soft drink product because of innovative packaging					
I prefer a soft drink product with exciting innovation packaging					
I prefer a soft drink product with convenience innovation packaging					
I prefer a soft drink product with innovation packaging that is interactive					

Section F: Brand Preference

This section looks at the aspect of brand preference and to what extent it influences your purchase decisions of soft drink brands. Tick, on the scale, provided a response that meets your level of agreement to the statements.

Statements	Strongly Disagree (1)	Disagree (2)	Neutral (3)	Agree (4)	Strongly Agree (5)
Price determines my purchase of soft drink products					
I purchase soft drink products that are within close proximity					
I purchase soft drink products with compelling and exciting advertisements					
I purchase internationally well-known soft drink products					
I purchase soft drink products of locally established companies					
Soft drink products manufactured locally have a higher quality than those manufactured internationally					

Adapted from Winnie C. Ruto (2015)