



**ST.MARY'S UNIVERSITY**  
**SCHOOL OF GRADUATE STUDIES**

**ASSESSMENT OF FACTORS INFLUENCING  
BRAND PREFERNCE – THE CASE OF META BEER**

**A Thesis Submmitted to St. Mary's University School of Graduate  
Studies In Partial Fullfillment of The Award of Degree in Masters of  
Business Adminstartion (MBA)**

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## DECLARATION

I declare that this thesis is my original work and prepared under the guidance of **Mohammed M.Nour (Assistant Professor)**. All the sources of material used for this thesis have been dulyacknowledged. I further confirm that this thesis has not been submitted either in part or in full to any other higher learning institutions for the purpose of awarding any degree.

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## **ENDORSEMENT**

This thesis has been submitted to St. Mary's University, School of Graduate Studies for examination with my approval of a University advisor.

**Mohammed M.Nour**

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**Advisor**

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**Signature & Date**

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## **List of Abbreviations (Accronyms)**

**ANOVA:** Analysis of Variance

**M.A.:** Masters of Art

**M.SC.:** Masters of Science

**GBP:** Great Britain Pound

**GDP:** Gross Domestic Product

**OLS:** Ordinary Least Square

**PLC:** Private Limited Company

**SD:** Standard Deviation

**SPSS:** Statistical Package for Social Science

**VIF:** Variance Inflation Factor

**VNU:** Vietnam National University

## **Abstract**

*The purpose of this study is to investigate factors influencing the brand preference of Meta Beer. The target population of this study are Meta beer final consumers who are located in Addis Ababa and the employees of Diageo Meta beer share company. The study has adopted both quantitative and qualitative research approach. The study has adopted quantitative research approach mainly to scrutinize the effects of pricing, packaging, promotion, product availability, perceived quality and competitor's environment on brand preference of Meta beer . On the other hand, the researcher has used qualitative research approach mainly to identify the major challenges encountered for the decline of the market share of Meta beer in Ethiopia beer industry in general and in Addis Ababa in particular. Moreover, the study adopted descriptive research design to assess the cause and effect relationship between variables. Questionnaires were developed in five point Likert scale ranging from five to one. A total of 196 questionnaires were distributed through convenience non probability sampling technique to Meta beer consumers located in Addis Ababa and out of the 196 distributed questionnaires, 187 (95%) were obtained valid and used for analysis. The result indicated that pricing is important factor in influencing the brand preference of Meta beer. The result also suggested that packaging and promotion has splendid impact in positively influencing the brand preference of Meta beer. The interview result suggested that Meta beer distribution is low in Addis Ababa mainly due to less penetration in key outlets of Addis Ababa, weak distribution channel, bad attitude of the distributors and product shortage. Finally, the researcher suggested that Diageo Meta beer should invest in promotional activities, pricing, packaging, perceived quality and product availability.*

**Key words: Pricing, Packaging, Promotion, Perceived Quality, Product Availability, Competitive Environment and Brand Preference.**

# CHAPTER ONE

## INTRODUCTION

### 1.1 Background of the Study

Rajagopal (2008) indicated that most of the multinational brands focus on growing the lifetime value of their consumers and global brands are built in reference to consumer preference, consumer buying decision and corporate accountability. Such overwhelming focus on growing brand equity is inconsistent with the goal of growing consumer equity that enlarges from the personality traits of consumers and brand identity. Consumers perceive the brand dimensions that typically capture a person's personality and extend the doming of brand. Consumers have only one image of brand created by deployment of the brand assets at their disposal, name, tradition, packaging, advertising, promotion posture, pricing, trade acceptance, sales force, discipline, consumer satisfaction, repurchase patterns etc. Clearly some brand assets are more important to product marketers than service marketers and vice versa. According to Lev (2004) some competitive environment put more of a premium on certain assets as well. Today, consumer center brands, a skilled sale force, strong consumer relationship and open organization designs contribute to the business growth of the firm and consumer value.

Keller (2004) suggested that brands provide products with value beyond just their functional benefits. Brands provide a company with possibilities to differentiate from its competition and enhance positioning possibilities. With the right positioning, companies can establish certain brand associations and knowledge structures in the minds of consumers. The success in securing a large market therefore all lies on the consumer's preference of brands and how companies can build brand equity based on the customer's preference.

According to VNU (2003) the concept of "branding" a product began as early as the sixteenth century. Since those early times, building and maintaining strong brands have been the hallmark of all successful companies. Building the right relationship between the brand and its customers creates successful brands. Brands with the greatest equity are the most profitable because their customers are generally more loyal and willing to pay higher prices for the product, and have a closer relationship with the brand. Branding clearly has advantages for the manufacturer and the

retailer, since it helps to differentiate the product from the competitor's product. Economies of scale and scope are attributed to branding, and a brand with high sales will generate production economies. Studies in some sectors have shown that customers who are 'most loyal' to a brand will pay as much as a 20% premium before they will switch to a different company's product. A clear understanding of the factors affecting brand preference is also critical to ensure that branding efforts by the company are synchronized with the needs of local consumers of beer.

According to Access Capital (2014) beer consumption in developing countries is often seen as one revealing (if crude) proxy for gauging the strength of economic activity. Economic growth, rising incomes and a growing share of disposable income all tend to drive the consumption of beer in a country.

According to Business Ethiopia report (2014), even though beer consumption in Ethiopia has grown fast over the past few years, Ethiopian still consume less as compared to the neighboring countries. The Ethiopian beer market is still in its infancy compared to other African countries. In 2010, beer consumption rates in Ethiopia were approximately four liters per capita, a small proportion, for example when compared to Nigeria 11 liters, south Africa 60 liters and well below the global average of 27 liters. The beer is controlling the market of this small portion of beer consumption rapidly.

Currently, according to WASS (2016) Ethiopia's total beer production capacity stands at 9.5m hectoliters annually. BGI Ethiopia (St George, Castel and Amber) capacity stands at 2.7m hectoliters from its three factories at Addis Ababa, Hawassa and Kombolcha. Heineken S.C, which owns Waliya, Harar, Bedele and Heineken, has a capacity of 2.6m hectoliters. Diageo, owner of Meta Abbo Brewery has 1.2 million hectoliters and Dashen Brewery S.C. has 2.2 hectoliters, the new joiners of the beer industry Habesha beer, Zebidar beer and Raya beer also produced 600,000, 300,000 and 600,000 hectoliters respectively. According to WASS (2016) the Current market share of Ethiopian Breweries, Heineken takes 34%, BGI Ethiopia has 29%, Habesha 13%, Dashen 11%, Diageo Meta 8%, Raya 4% and Zebidar takes 1% of the national market share of beer. Heineken and BGI claim two thirds of the Country's market share and have a particularly dominant share in Addis Ababa. Denford and Edward (2007) indicated that brand preference is measured by Price of brand, promotion, packaging, product availability, pricing and perceived quality.

According to access capital estimates (2010) in Ethiopia growth in beer consumption has been growing by 24 percent per year, roughly double the average annual growth rate in real GDP. Whereas, the share of Diageo Meta beer is decrease significantly. Hence, study will conduct on this line is very crucial.

In order to stay profitable and competitive in Ethiopia beer industry, satisfying customers need is very crucial. So as to meet their desired ends, understanding the customer's behaviors on brand preferences should be given top priority.

Therefore, the purpose of this study is to investigate factors influencing the brand preference of Meta beer through pricing, promotion, packaging, product availability, perceived quality and competitor's environment.

## **1.2. Statement of the problem**

Marketing concept starts with consumers' needs and their behavior in meeting their needs. In order to satisfy their needs consumers make many buying decisions every day. And marketers need to study these consumer purchase decisions in order to find answers to questions about what, why, where and how many consumers buy and align their marketing program to that effect.

This study was conducted particularly on the components brand preference. In today's highly competitive, dynamic and challenging business environment, the levels of consumer product preference are critical to survival of business. Each day consumers are becoming more rational and speculative in their spending, willing to spend their hard earned money on product they believe will give them value and maximize their utility. This dynamic nature of consumer's preference towards a product or a brand is clearly exhibited in Ethiopian beer industry for the past ten years. According to Access Capital research (2014) until 2004/2005, Meta was the leading brewery having the lion's share of the beer market in Ethiopia, followed by Dashen and BGI Ethiopia respectively. However, a market share has shifted markedly in recent times towards St George, Waliya and Habesha beer. Research done by WAAS (2016) stated that Diageo Meta's market share has dropped to 8%. And in recent days the Brand's market share has significantly been taken by Waliya, Habesha and St. George beer indirectly signifies a decline of consumer preference towards Meta beer products. This is also evidenced by observing bars at Addis Ababa that those tables are occupied by competitor beer brands. Even if the market share of and the preferences of customers towards Meta beer is dropped significantly, studies conducted on factors influencing brand

preferences of Meta beer had got little attention. Therefore, the purpose of this study is to assess factors influencing brand preference of Meta beer, the study will contribute for all stakeholders in beer industry in general and Diageo Meta beer in particular.

### **1.3. Research question(s)**

In line with the problems identified the current study will address the following research questions:

- Does pricing of the product affects the brand preference of Meta beer?
- Does packaging of the product affects the brand preference of Meta beer?
- Does promotion of the product affects the brand preference of Meta beer?
- Does availability of the product affects the brand preference of Meta beer?
- Does perceived quality of the product affects the brand preference of Meta beer?
- Does competitor's environment affects the brand preference of Meta beer?
- What are the major challenges for the decline of Meta beer market share?

### **1.4. Objective of the Study**

The major objective of this study is to assess factors influencing brand preference of Meta Beer.

#### **1.4.1. Specific objective(s)**

- To examine the extent of effects of pricing on the brand preference of Meta beer.
- To scrutinize the extent of effects of packaging on the brand preference of Meta beer.
- To identify the extent of effects of promotion on the brand preference of Meta beer.
- To analyze the extent of effects of product availability on the brand preference of Meta beer.
- To explore the extent of effects of perceived quality on the brand preference of Meta beer.
- To pinpoint the extent of effects of competitors environment on the brand preference of Meta beer.
- To assess the major challenges encountered for the decline of the market share of Meta beer in Ethiopia beer industry.

## **1.5 Scope (Delimitation) and Limitation of the Study**

Even though beer consumption has country wide coverage in Ethiopia, especially Meta beer has a better market share outside Addis Ababa. This study has confined itself to measure the determinants of brand preference for Meta beer only in Addis Ababa province. For the better applicability of the study results all over the country need to be surveyed by increasing the sample size. The study measures brand preference of Meta beer based on the dimensions of pricing, packaging, promotion, perceived quality, product availability, and competitive environment. This study also has not assessed the determinants of brand preferences from the marketing functions of other breweries which exist in Ethiopia.

## **1.6. Significance of the Study**

The findings of the study will give a good insight for the Diageo marketing experts about the determinants of brand preferences and it will help for those experts to propose sound marketing programs and strategies with related to the dynamics need of consumers. The findings of the study also will benefit new companies who are under formation to join the beer industry by providing information pertinent to brand preference of beer consumers. Furthermore, the information and ideas gathered from the study is expected to be of great importance for marketing academicians and practitioners in the subject of brand preference.

In addition to this, the findings of the study will assist the Diageo Breweries stakeholders to act more effectively and to draw sizable strategic solutions for challenges encountered. The study have a contribution to scientifically investigate the determinants of brand preference for breweries industry. Finally, this study will use as a foundation for other researchers who would like to undertake research on similar and/or related area of study in the future.

## **1.7. Organization of the Study**

This research paper is divided in to five chapters .Chapter one introduces the introductory part and outlines background of the study, statement of the problem, research question(s), research objective(s), scope and limitation of the study and significance of the study. Likewise, Chapter two reveals that the detail review of theoretical and empirical literature by considering the topic of

the study further this chapter incorporates the research hypothesis and the conceptual framework sections of the study. In the third chapter, the researcher clearly presents the research methodology sections. The fourth chapter of the paper reveals that the presentation, analysis and interpretation of the data. The final chapter presents the summary of major findings, conclusions and recommendations sections of the study.



## CHAPTER TWO

### REVIEW OF RELATED LITERATURE REVIEW

#### 2.1. Theoretical Literature Review

##### 2.1.1. Brand and Branding

The American Marketing Association (1994) defines a brand as a “name, term, sign, symbol or design, or a combination of them intended to encourage prospective customers to differentiate a producer’s product (s) from those of competitors”. A primary function of the brand is to provide convenience and clarity in decision making by providing a guarantee of performance and communicating a set of expectations thereby offering certainty and facilitating the buying process. On the emotional side, the function of a brand is to evoke a set of associations and furthermore symbolize the consumer’s personal perception through brand image. However, Marketing in a Global Economy Proceedings (2000) suggested that this and other definitions fail to capture the essence of what branding involves or achieves.

According to Broadbent and Cooper (1987) in order to be successful, images and symbols must relate to and indeed exploit the needs, values and lifestyles of consumers in such a way that the meanings involved give added values, and differentiate the brand from other brands. In its totality, Phillips (1998) asserted that a brand can be described as a “trademark that communicates a promise. Park et al (1996) indicated that this promise involves a set of symbolic and functional attributes that the market place associates with the brand. Symbolic attributes are those that fulfill internally generated needs for self-enhancement, role position, group membership or ego identification .whereas functional brand attributes solve an externally generated consumption related problem. Ambler and Styles (1996) describe two different views of defining a brand. The first is the product plus view, when the brand is seen as an addition to the product, and in this view a brand is also called an identifier. The second is the holistic view that communicates the focus on the brand itself that is considered to be much more than just the product. The brand is said to be the sum total of all elements of the marketing mix.

According to Keller (2002) brands can also be explained based on their elements-“those trademarkable devices that serve to identify and differentiate the brand (ego, brand names, logos,

symbols, characters, slogans, jingles and packages.

### 2.1.2. Brand Preference

According to Liu (2002) with the passage of time and the advent of technology the way of communication has been changed. The latest invention and common way to interface is mobile phone and the study of consumer attitudes and buying behavior regarding mobile is important. People, now a day's learn about a cellular phone from many sources, mainly from friends and families, through advertisement and from their experience. Kolteret et al (2009) the important intangible assets for companies are brands and which is a specific tool that make a longer relationship with consumers and protect its rights.

Jain and Madan (2015) contended that brand knowledge and brand experience influence the brand choice behavior of customers. For consumers, brands reflect their experience and knowledge; simplifying the processing of information accumulated over time about the company and its products or brands. Consumer decision-making processes and brand selection have been considered complex. The buyer chooses from different brands based on their preferences, experiences and brand knowledge. Saaksjarvi and Samiee (2011) noted that the purpose of brands evolved into a valuable intangible asset and potential resource serving the strategic reference point and contributing to greater value and market success. Brand management is given a high priority and the spectrum of brand has been broadened beyond marketing communication and the resource-based theory of priority strategy. Wong and Merrilees (2007) asserted that the approach of brand orientation places consumers and brand at the pivotal point of company policy.

Kim et al (2011) concluded that brand preference precedes consumer loyalty and influence attitudinal and behavioral loyalty. Thus, loyalty can be perceived as a true measure of brand preference. Brand Preference and Brand choice is the process of preference consolidation facilitating the choice task. Bettman et al (1998) pointed out that choice is concerned with the selection and consumption of the brand. Brand preference can be viewed as a motivator of brand choice. According to Louviere (2000) Consumer choices are based on well-defined preferences through which purchaser can determine the set of alternatives from which they will make their choices. Bither and Wright (1977) indicated that Consumer preferences and choices tend to be more consistent; therefore, preference provides a more accurate prediction of consumer choices comparing to attitude.

Sagoff (2003) suggests that the relationship between brand selection and brand preference is subject to market conditions. In perfect market conditions, consumers will choose from their preferred alternatives. While in the imperfect market, choice is subject to situational factors, such as availability; whereby, consumers' brand choices can be inconsistent with their preferences. Surprisingly, Amir and Levav (2008) noted that marketing managers are more interested in brand preference than brand choice to signal repeated purchases, since consumer preferences tend to be constant across the different contexts, rather than choice-limited to a distinct context. Kay (2006) indicated that Evidence of brand strength is its success, illustrating its ability to win consumer preferences and construct long-lasting relationships. Consumer brand preference is an essential step in understanding consumer brand choice; has therefore always received mentionable attention from marketers.

Overby and Lee (2006) recommended that brand preferences represent consumer dispositions to favor a particular brand. It refers to the behavioral tendencies reflecting the extent to which consumers like one brand over another. Brand preference is close to reality regarding reflecting consumer evaluation of brands. In the marketplace, Dhar (1999) consumers often face situations of selecting from several options .According to Grimm (2005) consumer preferences for brands reflect three responses: cognitive, affective and cognitive or behavioral . The cognitive components encompass the utilitarian beliefs of brand elements. The affective responses refer to the degree of liking or favoring that reflects consumer feelings towards the brand. The cognitive or behavioral tendencies are denoted by Zajonc and Markus (1982) as the consumers predicted or approached act towards the object. It is the revealed preference exhibited in consumers choices. Chernever al., (2011) assumes that the association of behavioral outcome, such as willingness to pay and brand preference. These are presumed to be associated with the behavioral tendencies. Dharet (1999) suggested that purchasing decisions are the behavioral outcome that precedes differentiation between several alternatives and make purchasing decision; a subsequent result of consumer preferences. Kerckhoveet et al (2012) suggested that brand preferences facilitate consumer's choice by enhancing their intentions towards the favored brand. Actual purchasing behavior is likely to correspond to intentions; the mechanism of intention formation provides evidence of persistent consumer preferences. The bias position buyers constitute toward a certain brand, created from comparative judgment between alternatives, reflects the brand strength. Thus, Sriramet (2006) asserted that changes in consumer brand preferences are reflected by the brand

performance and market shares.

In addition, Schoenfelder and Harris (2004) suggested that brand preference combines the desired attributes and consumer perceptions; thus, it offers an indirect and unobtrusive way to assess salient features. Therefore, according to Alamro and Rowley (2011) uncovering consumer brand preferences are considered critical input to design successful brand strategy, brand positioning, and gives insights into product development. Consequently, understanding brand preferences contributes to build strong brands and able to develop long-term relationship with consumers.

### **2.1.3. Factors Affecting Brand Preference**

Brand adoption or preference has been receiving increased attention in extant literature. Cooper (1993) noted that most new innovations come with high risks as most of them failed in the marketplace creating the need for marketers to have a clear understanding of success factors in brand adoption. According to Charlotte (1999) theories of adoption have often been used to explain how consumers form preferences for various goods and services. Generally, Wee (2003) noted that these theories emphasize on the importance of different characteristics of the products in brand preference. The relative importance of each factor depends on the nature of industry under consideration, location and social characteristics of the consumers of the different brands. Dorsch et al (2000) asserted that Consumer choice behavior has also been studied using the five-step process step (need–information search–evaluation of alter- natives–purchase–post-purchase evaluation) problem solving paradigm or through the progression of consumer choice from a product class to brand choice. Discrete choice models (Bockenholt and Dillon, 2000) or neural networks to model selection decisions (Papatla et al., 2002) have also been used in brand choice research. So for this particular study, the following factors that affect brand preference were discussed. The factors are pricing, packaging, promotion, perceived quality, product availability and competitive strategy.

#### **2.1.3.1. Pricing**

Kent and Omar (2003) perceived pricing in terms of the specific monetary value that a customer attaches to goods and services. Farahmand and Chatterjee (2008) conceptualized that price within the auspices of the value assigned to something bought, sold or offered for sales, expressed in

terms of monetary units. According to Ahmad and Vays (2011) it also pertains to how buyers view a product's price, as high, low or fair, which ultimately affects consumers' willingness to buy the product. Yesawich (2004) signified that pricing is a crucial strategic variable due to its direct relationship with the company's goals and its interaction with other marketing mix elements. Atchariyachanvanich and Hitoshi (2007) advocated that pricing enables companies to segment markets, define products, create incentives for consumers and even send signals to competitors. According to Sahay (2007) goods and services must be priced in a way that achieves profitability for the company and satisfies customers, in addition to adapting to various constraints such as competition.

Boonlertvanich(2009) emphasized that price like other key factors in exchange relationships, is one of the tools marketers may use to confront the market, either by directly attracting and retaining clients or fighting against competitors. Moreover, according to Sahay (2007) price presents a unique opportunity to create loyalty, retain existing customers and attract prospective customers. Campo andYague(2007) asserted that to the extent, most companies, especially in the service market, use promotional tools such as price to motivate the sale of a specific product. However, according to Dunne and Lusch(2008)this can only be fulfilled if the process pricing is orchestrated fairly, honestly and straightforwardly, rather than unfairly and haphazardly.

Cataluna et al (2005) suggested that an assortment of pricing strategies may be employed to manipulate the purchase behavior of consumers. According to Boonlertvanich(2009) this availability of a multiplicity of pricing strategies presents a strategic but tantalizing dilemma to companies. Herrmaanet al (2007) confirmed that the challenge is exacerbated through the realization by marketers that all pricing strategies must be consistent with the company's overall image (positioning), sales, profits and return on investment goals, which in itself is a daunting task. Paliwoda and Thomas (1998) indicated that companies may opt to price high or low or merely be price followers. According to Cataluna et al (2005) the 'every-day low prices' (EDLP) approach and the 'high and low prices' (hi-lo) approach have also emerged as popular pricing strategies amongst companies. Alvarez and Casielles (2005) emphasized that every-day low prices strategies are used by retail establishments as an advertising appeal to attract consumers and add the advantage of ensuring consistency in sales. Furthermore,Boonlertvanich(2009) suggested that the use of simple, one-dimensional prices, quoting a single figure (e.g. a standard R10.00), has made

way for odd-even pricing (or psychological pricing) strategies aimed at exploiting particular information elaboration processes or perspective biases associated with specific price presentations . For instance, according to Romani (2006) instead of pricing the product at a standard R10.00, the product is priced at R9.99 .Lamb *et al* (2008) concluded that consumers are paying a lower price for the product, leading to an acceleration of sales.

Abedniya(2011) contended that the issue of reference pricing also presents manifold challenges to marketers. According to Anttila(2004) reference pricing refers to the price against which consumers compare the listed price of a product or service with the discounted price. In this way Dunne and Lusch(2008) indicated that consumers evaluate whether a price is too low or too high as they make their product choices. When a consumer perceives that a retailer charges high price for a product, the consumer also perceives that the retailer possesses an air of luxury, which may lead to repeat purchases.According to Yelkur(2000) due to the sensitivity of price to different segments of the market, some retailers have resorted to introducing generic products or house brands to cater for the price-sensitive section of the market. Jin and Sternquist(2003) suggested that this strategy is premised on the view that for some consumers, high price simply means giving up more resources for the product whereas some consumers perceive that high prices are a signal of better quality and prestige.

Often, according to Abedniya (2011) marketers are also faced with the predicament of introducing either a fixed price or a discounted price. Ahmad and Vays (2011) indicated that a fixed price offer suggests to a consumer that the price is non-negotiable or will remain constant whenever they decide to purchase the product. Leisen and Prosser (2004) advocated that the discounted price system denotes that the price of a product may be reduced marginally as and when necessary to encourage more sales. Boonlertvanich (2009) indicated that the fixed price offer implies that the product is excluded from consumer promotions or price discounts.

### ***2.1.3.2. Packaging***

Kent and Omar (2003) advocated that packaging may be perceived as a family of activities that are concerned with the design, production and filling of a container or wrapper of the product item in such a way that the product can be effectively protected, stored, transported and identified, as

well as successfully marketed. According to Gonzalez and Twede (2007) an often-overlooked component of packaging is its latent ability to reflect the product attributes to unsuspecting and otherwise disinterested consumers. According to Del Rio et al (2001) most of the packaging decisions affect how consumers associate themselves with a firm's products. Ordinarily, Silayoi and Speece (2007) indicated that packaging should be designed in such a way that the product can be handled without damaging the quality of the contents. Deliya and Parmar (2012) contended that packaging should also be designed to promote product sales. According to Cronje *et al.* (2003) a consumer should, without extraneous effort, be able to identify the packaging of a particular manufacturer standing on the shelf and distinguish it from other competing brands. Zaltman (1997) suggested that non-verbal communication through packaging is an important expression through which consumers learn the thought processes since two-thirds of all stimuli reach the brain through the visual system. Wright (2006) also acknowledges that packaging is effective in marketing products since most consumers are greatly affected by appearances and design of the product, in addition to other aspects such as touch, taste, texture and smell.

Silayoi and Speece (2004) emphasized that packaging appears to be one of the important factors in purchase decisions that are made at the point of sale where it becomes an essential part of the selling process. According to Klevas (2005) in current competitive retail environments, consumers are exposed to a plethora of messages on packaging and merchandising. Rundh (2005) inferred that when consumers are spoiled for choice in terms of the available product range, they rely on product externalities, such as packaging, as signals of perceived quality. McNeal and Ji (2003) asserted that marketing with a challenge to depend heavily on the visual communication of packaging to inform and persuade consumers, both at the point of purchase and at the point of consumption.

### **2.1.3.3. Perceived Quality**

Aaker (1991) defines perceived quality as the customer's perception of the overall quality of a product or service and their behavioral sense of accepting it. It is an intangible and overall feeling about a brand. However it is usually based on underlying dimensions which include characteristics of the products to which the brand is attached such as reliability and performance. In service industry, four attributes: food quality, service quality, atmosphere and novelty and their influence on repeat Intention to Purchase are discovered. It predicts consumer's intention to buy and also

measures the satisfaction level. According to the journal, (Ashton, 2010) researchers like Paswan et al (2007) and McDougall find that perceived quality is the core relationship between quality and value that comes as an implication of improve service element associate with it and the value paid for. In other words, if a product cost is too high and consumers are not willing to pay for it, its value is said to be not perceived by consumers instead consumers may prefer to purchase lower quality product with a reasonable price. So, price is one of the determining factors for perceived value.

#### ***2.1.3.4. Promotion***

According to Pringle and Thompson (1999) a promotion that provides incentives to try a new flavor or new use will be more effective if the brand is familiar and there is no need to combat a consumer skeptical of brand reputation. Aaker (1991) asserted that advertising acts as a major tool to enhance brand reputation. The purpose of advertising is to make the consumers to purchase their brands. Advertising is one of the most visible forms of communication. It creates a set of associations the consumers want to have about a brand.

#### ***2.1.3.5. Competitive Strategies***

According to Johnson et al (2006) a competitive strategy, from a business level perspective is the achievement of competitive advantage by a business unit in its particular market. Sidorowicz (2007) viewed that competitive strategy as more skill-based and involving strategic thinking, innovation, execution, critical thinking, positioning and the art of warfare. MacMillan (1983) defined strategic initiative as the ability to capture control of strategic behavior in the industries in which a firm competes. According to Grant (2005) strategy is about ensuring the survival and prosperity of a firm by implementing strategies to fulfill stakeholder expectations in an uncertain future. Firms that engage in strategic planning and have appropriately designed and applied competitive strategies tend to have higher performance than those that do not. Competitive strategies can lead to high organizational performance, customer satisfaction, and increased competitiveness in the face of other rival businesses. These strategies are; Cost Leadership strategy where a company aims to out-price its competitors by reducing overheads or the fixed costs



associated with manufacture and distribution. It requires a focus on the efficiency of production lines and economies of scale. Differentiation strategy is employed where unique attributes of a product or service is highlighted relative to similar alternatives presented by the competition. It allows a higher price to be charged or a greater ability to command customer loyalty market. Offensive strategies involve strategic moves that improve the firm's position relative to that of rival firms in the industry. Grant (2005) advocated that successful offensive strategy is almost always a source of a competitive advantage because they are moves intended to yield a cost leadership position, differentiation advantage, or provide the best value product/service to industry consumers. Defensive strategies are those moves that reduce the ability of rival firm strategies to threaten the firm's competitive strength or organizational resources. Their intended purpose is to defend an industry position, protect competitive resources from imitation, and sustain an existing advantage by lowering the risk and weakening the impact of rival firm offensive attacks. Collusive strategies involve collaborative efforts that tamper with the industry balance of supply and demand. Price/output collusion occurs when rival firms reduce the supply of an output below its competitive level in order to raise price above its competitive level and earn a greater than economic return. Because this strategy is illegal tacit forms are more common than explicit forms. Grant (2005) concluded that the industry structure can influence the perception that tacit collusion is non-threatening and facilitate its use by rival firms.

### **2.3. Empirical Literatures Review**

Research evidence on the influence of packaging on consumer buyer behavior in diverse contexts is available. A study conducted by Bed (2008), which focused on existing practices of branding, packaging and labeling of new products in consumer product manufacturing units, reveals that the right packaging can help a brand to carve a unique position in the marketplace and in the minds of consumers. Broadbridge and Morgan (2007) also found that most consumers have the desire to feel confident with the product in terms of reliability, performance and packaging before they purchase the product. A study conducted by Hysen and Mensur (2008) revealed that packaging has a great positive effect on the purchase of dairy products. Ahasanul and Ali (2009) also found that packaging plays an important role in influencing the perception of consumers of pirated electronic products. Findings in a study by Gupta (2009) also show that effective packaging is

positively correlated with impulse buying behavior in the food retailing industry, which justifies the use of sales packaging in that industry.

Siriram et al (2005) study on the Effects of Brand Preference, Product Attributes, and Marketing Mix Variables in Technology Product found that, some brands can increase their advertising expenditures and still increase their profitability. Nilson (1995) found that the more unusual the promotion the greater the likelihood of an outcome different to what was expected. Sales promotions that build relationships have the same effects as advertising. Direct mail, or direct marketing, via the building of a relationship with customers through personalized communications with the help of a database, can also be stabilizing.

Priesmeyer (1992) found that the retailer with a less turbulent environment was not influenced significantly by price cuts or promotional activities, whereas the retailer with a highly turbulent environment had more opportunities for influencing demand through promotional tactics. In fact, minor promotional changes resulted in major increases in sales and profitability. This study showed that aggressive sales promotional tactics in a turbulent market could enable a marketer to influence the trajectory of the attractor to increase sales, market share or profit. On the other hand, Nilson (1995) concluded that public relation is effective method of disseminating information and building loyalty to a company. However, in complexity/chaos terms, a relatively small and inexpensive Public Relations (PR) activity can lead to significant outcomes because of the multiplier effect. However, like all activities based on sensitive dependence on initial conditions, the result is unpredictable. Although the instigator of the action hopes for a positive response, they have no control over the dissemination of the information, nor over the way is the message presented.

Hoyer and Brown (2011) reviewed that brand awareness has a significant impact on brand preference. The researcher examines that when consumer have knowledge about brand they must purchase superior quality product on the other side if they have less or have no knowledge about the product they must want to purchase a low quality of product. Brand awareness is the prime goal of the promotion. Zhang (2014) concluded that brand awareness, brand image and perceived quality have significant influence on brand preference in terms of smart phones in Thailand.

Mohammad(2011) found that brand name is a crucial concept and precious assets for firms due to this marketer consider competitive advantages for firms. The researcher investigates the factors that influence the brand preference. These dimensions are categories five in numbers: brand image,

quality, brand awareness, advertising and product availability. Study concludes that all five dimensions have positive relationship with brand preference.

Fengzeng (2015) conducted a research to examine the relationship among the perceived quality, hotel growth, price fairness and brand strategy in the context of the hospitality. Brand awareness is the primary function of the advertising. When a consumer understands the advertising about the brand they must recall brand in his mind.

Janine (2011) found that price is an important element of the marketing mix. The researcher found that it has significant relationship with food retailing and brand preference in Germany. For the promotion of pricing the firms use different strategies they set the price for the product by judging the consumption level of consumers and their income worth.

Varian (1995) concluded that the pricing theory congestible means such as routers and web sites examines the application of pricing. Study explore application of pricing expand in competitive environments. Johan(2007) the study conducted to determine the relationship among the dimensions of brand equity, awareness, associations, quality and loyalty and quality attributes such as taste, packaging and functions. This study examines the understanding about the pricing and brand equity in the context of the grocery product in Sweden. Saptariani (2008) concluded that pricing strategy is important for some consumers and pricing decision is important decision rather than brands name, quality and others. The researcher reviews that prices are decrease on increase it will not remain constant and it will depend upon the cost of the product.

Gezachew (2012) found that source of advertising message positively influences consumers brand preference. Michael (2012) conducted his study with the title of “Impact of Media on Consumers’ Brand Preference” undertaken on Carbonated Beverage Market with Reference to Coca-Cola. The collected data from the survey shows that brand preference exists in the carbonated beverage Market and the media efforts affect consumer preferences and their brand choice. Out of eight different carbonated beverage brands which featured in the study, Coca-Cola topped the brand Preference table in carbonated beverage industry. Hence it is clear that Coca-Cola is the favorite carbonated beverage among consumers. Based on this study, advertisement and taste was the major factors responsible for the success of Coca Cola. The implication is that other variables do not influence much when brand is supported by heavy advertisements and appeals to consumers’ taste buds which persuades them to continue buying. Majority of the respondents claimed to have known Coca-Cola over 15 years and Coca-Cola having been in existence for

more than 20 years still remain the delight of many consumers of carbonated beverage. It is evident that the brand has enjoyed a relatively prolonged life cycle. The study also showed that advertisement is the major source of awareness of Coca-Cola and Television is the most effective medium as cited by most of the respondents.

Vivekananthan (2010) studied “Influence of advertisement in consumer brand preference with reference to soft drinks”. The research was conducted by taking three variables, namely Information, communication, and comprehension. Findings of this research revealed that the variable information has high influence in advertisement on consumers’ brand preference.

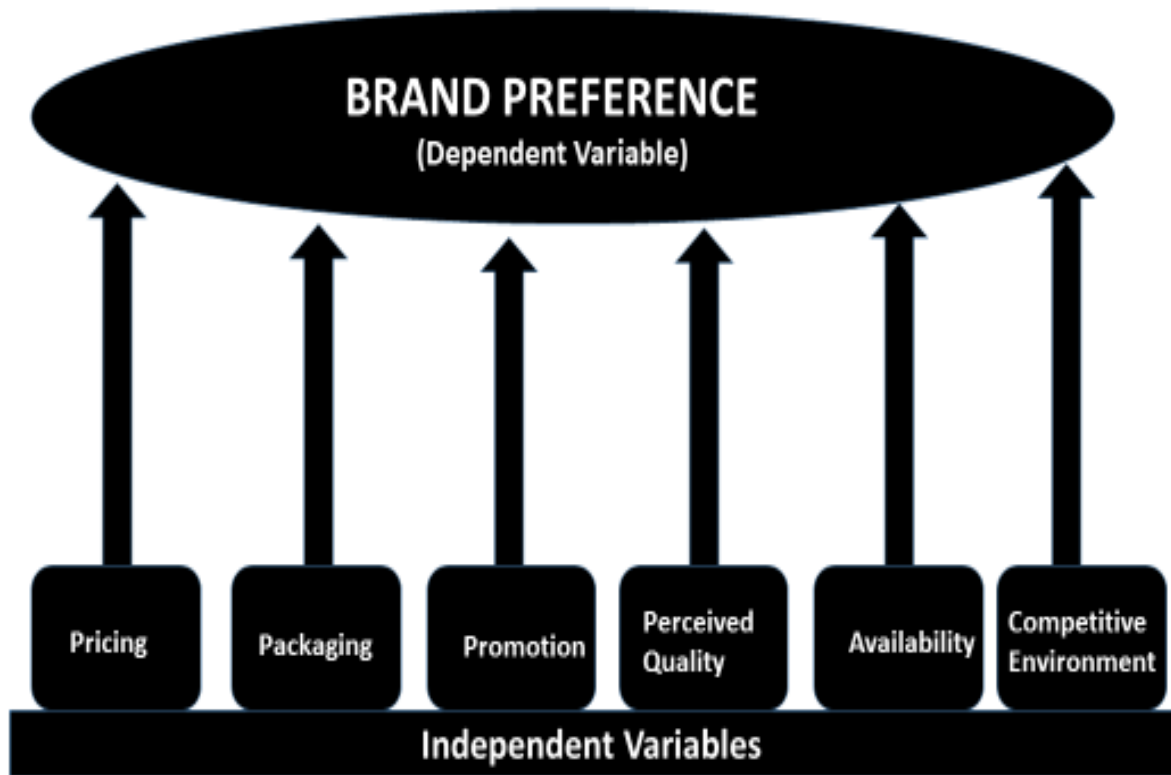
Tendon (2011) assessed the “Impact of advertising on the brand preference of tea.” variables of the study are advertising and sales promotion. They are source of awareness and income, age, gender, and education are also independent variables. The study revealed with the perspective of source of awareness of tea brand, advertising accounts for 72.4% of the respondents while 2.2% respondents feel that sales promotion schemes create awareness of the brands. The study also revealed that age, income, and education have great impact on the brand preference of tea whereas gender has no impact on the brand preference of consumers. Singh (2012) “Impact of advertisement on the brand preference of aerated drinks.” The study is conducted by taking two major variables such as celebrity endorsement and types of advertising media. The finding revealed that celebrity endorsement has positive impact on attention and exposure of consumers and from different types of media, television advertisement became the most effective and popular media and liked by consumers followed by internet and outdoor media.

## **2.4. Knowledge Gap**

As per the review of the literatures the empirical studies that have been conducted to scrutinize factors influencing brand preference of Ethiopian beer industry only from the perspectives of advertisement, in line with, Gezachew (2012) found that source of advertising message positively influences consumers brand preference but, the researcher didn’t disclose the literature gap because he overlooked other important elements of promotion that is public relation and sales promotion. Furthermore, he overlooked other proxy brand preference measurement variables of

Pricing, packaging, perceived quality, product availability and competitive environment. Therefore, the current study incorporated those neglected proxy brand preference measurement variables and disclosed the literature gap.

## 2.5. Theoretical Framework



Source: Own developed for this study (2017)

## CHAPTER THREE

### RESEARCH METHODOLOGY

#### 3.1. Description of the Study Area

The company, Meta Beer Share Company, was founded in 1963 in Sebeta town, Ethiopia. African beer is a big business and every brewery you name is looking to gain a foothold in these fast-growing markets. The British based multinational Diageo has once again upped its presence on the continent by acquiring Ethiopian state-owned brewery Meta Abo for \$225m in January, 2012. The acquisition of Meta Abo, the last of Ethiopia's state-owned brewers, fitted neatly into Diageo's emerging market strategy. Meta Abo was the second largest beer company in Ethiopia, according to Diageo's emailed statement, with a volume share of approximately 15 per cent via its premium Meta and Meta Premium brands: The acquisition has given Diageo direct access to the rapidly growing Ethiopian beer market, and will complement Diageo's existing premium spirits business in the country ([www.ft.com](http://www.ft.com)).

#### 3.2. Research Approach and Design

##### 3.2.1. Research Approach

To investigate factors influencing brand preference of Meta beer, this study had employed quantitative and qualitative research approach. The study adopted quantitative research approach mainly to scrutinize the influence of Pricing, packaging, promotion, product availability, perceived quality and competitor's environment on brand preference of Meta beer. On the other hand, the researcher had used qualitative research approach mainly to identify the major challenges encountered for the decline of the market share of Meta beer in Ethiopia beer industry in general and in Addis Ababa in particular.

Saunders et al (2012) asserted that the choice of research approach is important when deciding the research design. It enables us to make more learnt decision about research design, which is more than just the techniques by which data are collected and procedures by which they are analyzed. According to Sargent (2012) quantitative research requires standardization of procedures

and random selection of participants to remove the potential influence of external variables and ensure generalization of results. In contrast, subject selection in qualitative research is purposeful; participants are selected who can best inform the research questions and enhance understanding of the phenomenon under study. Hence, one of the most important tasks in the study design phase is to identify appropriate participants. Decisions regarding selection are based on the research questions, theoretical perspectives, and evidence informing the study.

### 3.2.2. Research Design

Richey (2007) suggested that a research design handles with the matters such as selecting participants for the research and making for data collection and the activities that compact the research process. Hence, in order to answer the research questions, descriptive research design was used. Descriptive type of the research allows the researcher to describe what was the condition that were held in the ongoing process, effects that were evident and trends, etc. and it would also tell about the present as well as past and give the chance to gather data to come up with specific results of the study objectives. The purpose of this study is to assess factors influencing brand preference of Meta beer.

### 3.3. Source of Data

The study had used both primary and secondary data sources. The primary sources of the study included Meta beer consumers specifically. On the other hand, the secondary sources of data includes internet sources, journals and past research studies.

### 3.4. Data Collection Techniques

For the purpose of getting enough data from the target group, the researcher mainly used primary data. According to Myers (2008) primary data is the data which is collected for the research project. Primary data includes data from questionnaires, interviews, fieldwork and unpublished documents. Therefore, the data was collected through:

**Questionnaire:** For the advantage of covering wide area, and minimizing the cost of data collection primary data gathering instrument in the form of questionnaire was used. Questionnaires

were adopted and customized in five point Likert Scale ranging from five to one; where 5 represents strongly agree, 4 agree, 3 Neutral, 2 disagree, and 1 strongly disagree. Finally, the questionnaire was translated in to Amharic Version and distributed to selected individuals based on sampling to get full information from the respondents.

**Semi-structured interview:** the second instrument has used semi-structured interview. This was conducted mainly for the purpose of gaining enough information from the respective top management members of Diageo Meta beer through in depth interview.

### 3.5. Target Population

As mentioned in the Ethiopian law, only people above the age of 18 drink beer in Ethiopia. Hence, it's very hard to ask each and every person about the reason behind their brand preference towards specific beer. Since it is time taking and it incurs high cost, the researcher used sampling to complete the study. In doing so, self-administered questionnaires were distributed to final beer consumers in five locations of Addis Ababa: Stadium, Piassa, Saris, Bole, and Hayahulet in Addis Ababa in order to investigate factors influencing the brand preference of Meta beer. Moreover, employees of Diageo Meta beer were the target population of the study.

### 3.6. Sample Size and Sampling Technique

The researcher had employed convenience non probability sampling technique. The researcher has used this sampling technique because of its easiest, cheapest and least time consuming. Furthermore, with convenience sampling, respondents are selected based on their accessibility. Hence, representative sample of these final beer consumers/customers were calculated based on the formula for sample size determination for infinite population.

According to Kothari (2004), the formula to determine sample size for infinite population has been given as:

$$n = \frac{z^2 \sigma^2}{e^2}$$



Where, n = the desired sample size

z = the value of the standard variation at a given confidence level

$\sigma$  = Standard Deviation

e = acceptable error (the precision)

Based on this, the researcher accepted 0.07 acceptable error, Statisticians have determined that values no greater than plus or minus 2 Standard Deviation represent measurements that are more closely near the true value. Therefore, for this study the standard deviation values to be 0.5. Furthermore, representative sample of population were determined at 95% degree of confidence. The Z-value at 95% confidence interval is 1.96. By substituting all the values into the formula:

$$n = \frac{1.96^2 \cdot 0.5^2}{0.07^2} = \underline{\underline{196}}$$

Therefore, 196 questionnaires were distributed to 196 beer consumer in Addis Ababa. Furthermore, concerning the qualitative data collected through in depth interview purposive sampling was used. Hence, the researcher was selected 6 concerned Diageo Meta beer managers which is directly involved in marketing strategies of the company, having experience of more than or equal to five years.

### **3.7. Data Presentation and Analysis Technique**

After data collection process is conducted, the remaining work is presenting and analyzing the collected data. Since the collected data through the 5 point likert scale is quantitative in nature: descriptive analysis technique was used. The descriptive analysis was conducted based on mean and standard deviation. Further more, the idea collected through semi structure interview technique was analyzed in short summary qualitatively.

### 3.8. Operational Definition of Variables

**Pricing:** Kent and Omar (2003) defined pricing as the monetary value that a customer attaches to goods and services.

**Packaging:** Kent and Omar (2003) defined packaging as a family of activities that are concerned with the design, production and filling of a container or wrapper of the product item in such a way that the product can be effectively protected, stored, transported and identified, as well as successfully marketed.

**Promotion:** Pringle and Thompson (1999) defined promotion as incentives to try a new flavor or new use will be more effective if the brand is familiar and there is no need to combat a consumer skeptical of brand reputation.

**Perceived Quality:** Aaker (1991) defines perceived quality as the customer's perception of the overall quality of a product or service and their behavioral sense of accepting it.

**Product availability:** Characteristic of a resource that is committable, operable, or usable upon demand to perform its designated or required function. It is the aggregate of the resource's accessibility, reliability, maintainability, serviceability, and securability (www.businessdictionary.com).

**Competitive Environment:** is the dynamic external system in which a business competes and functions. The more sellers of a similar product or service, the more competitive the environment in which you compete (<https://study.com>)

**Brand Preference:** Overby and Lee (2006) defined brand preferences as consumer dispositions to favor a particular brand. It refers to the behavioral tendencies reflecting the extent to which consumers like one brand over another.

### 3.9. Reliability

Cronbach's alpha is a measure used to assess the reliability, or internal consistency, of a set of scale or test items. In other words, the reliability of any given measurement refers to the extent to

which it is a consistent measure of a concept, and Cronbach's alpha is one way of measuring the strength of that consistency. Cronbach's alpha is computed by correlating the score for each scale item with the total score for each observation (usually individual survey respondents or test takers), and then comparing that to the variance for all individual item scores. Hence, to measure the item consistency between likert questions Cronbach's alpha item consistency measurement was used.

### **3.10. Ethical Considerations**

The researcher was given due consideration to obtain consent from each participants of the study and it strictly was conducted on voluntary basis. The researcher was tried to respect the right and privacy of the participants for the study. Furthermore, participants were informed that the information they provide were kept confidential and were not disclosed to anyone else. Moreover, the researcher was assured that the findings of the study were presented without any deviation from the outcome. Finally, the researcher acknowledged all the reference materials used for this study.

## CHAPTER FOUR

### DATA PRESENTATION AND ANALYSIS

As discussed in previous chapters, the major objective of this study is to investigate factors influencing brand preference of Meta beer. Therefore, the findings of the study were presented and analyzed in this chapter. Questionnaires were customized and developed in five point Likert scales ranging from five to one; where 5 represents Strongly agree, 4 agree, 3 Neutral, 2 disagree, and 1 strongly disagree. Hence, a total of 196 questionnaires were distributed to Meta beer consumers and 187(95%) questionnaires were obtained valid and used for analysis. The collected data were presented and analyzed using the help of SPSS ver. 20 software.

These five point likert scales are treated as interval scale to conduct statistical analysis. Harry and Deboraha (2012) stated that Likert scale data, can analyzed at the interval measurement scale. Likert scale items are created by calculating a composite score (sum or mean) from four or more type Likert-type items; the composite score for Likert scales can be analyzed at the interval measurement scale. Descriptive statistics recommended for interval scale items include the mean for central tendency and standard deviations for variability.

This chapter is organized into three sections. First, the general information about respondents profile presented. Second, the descriptive statistics results by using mean and standard deviations were discussed. Finally, the interview results were discussed.

#### 4.1. Demographic Characteristics

Below, the demographic profiles of the respondents are analyzed based on the variables of sex, age and level of education.

**Table 4.1: Demographic distribution of respondents**

<b>Variables</b>	<b>Choices</b>	<b>Frequency</b>	<b>Percentage</b>
<b>Gender</b>	Male	180	96.3
	Female	7	3.7
	<b>Total</b>	<b>187</b>	<b>100</b>
<b>Age</b>	19-25 years	25	13.4
	26-32 years	63	33.7
	33-39 years	56	29.9
	40-46 years	6	3.2
	Above 47 years	37	19.8
	<b>Total</b>	<b>187</b>	<b>100</b>
<b>Level of Education</b>	12 completed	67	35.8
	Certificate	19	10.2
	Diploma	18	9.6
	Degree	62	33.2
	M.A. /M.SC.	21	11.2
	PHD.	0	0
	Others	0	0
	<b>Total</b>	<b>187</b>	<b>100</b>

**Source:** Questionnaires, 2017

As revealed in table 4.1 about 96.3 %(180) respondents are male and the rest 3.7 %( 7) respondents are female. Based on this fact, male respondents are by far the majority (187) when compared with female respondents.

The other demographic variable to be considered in this study is age, in table 4.1 above 33.7 %( 63) respondents are aged between 26-32 years, this clearly showed most of the respondents were young. Respondents aged between 33-39 are 29.9%(56), 19.8%(37) respondents aged above 47, 13.4%(25) of respondents aged 19-25 and 3.2%(6) respondents aged between 40-46.

As revealed in table 4.1, 35.8 %( 67) respondents completed grade 12, 33.2 %( 62) respondents were Degree holders, 10.2% (19) respondents were certificate holders, 9.6% (18) respondents were Diploma holders, 7.5% (14) respondents were others and the rest 11.2% (21) respondents were M.A. or M.SC. Holders.

## 4.2. Reliability Analysis

As revealed in appendix II the internal consistency which is measured by Cronbach's alpha between those variables items of pricing, packaging, promotion, perceived quality, product availability and competitive environment are 0.87, 0.86, 0.87, 0.86, 0.85 and 0.75 respectively. Moreover, the overall item consistency between 32 likert scale items is 0.93. Therefore, the current study item shows an acceptable item consistency.

## 4.3. Descriptive Statistics Results

Descriptive statistics recommended for likert scale items included the mean for central tendency and standard deviation for variability. Standard deviation is used just to know the actual data position as it measure the amount of variation or dispersion of a set of data values. A low standard deviation ( $SD < 1$ ) indicates that the data points tend to be close to the mean, while a high standard deviation ( $SD > 1$ ) specifies that the data points are spread out over a wider range of values. Therefore, the factors influencing brand preference of Meta beer has been analyzed descriptively using Mean and Standard deviation (SD) as follows.

### 4.3.1. Pricing

As revealed in table 4.2, from pricing items respondents showed the strongest support to the statement `Meta beer products are sold at the same price with other beer ` (Mean= 4.15, SD=1.04) .The result suggested that the price of Meta beer is equal with other beer brands in Ethiopia and which is a positive influence on the consumer brand preference of Meat beer.

**Table 4.2: Pricing**

<b>Item</b>	<b>Mean</b>	<b>SD</b>
Meta beer products are sold at the same prices with other beer.	<b>4.15</b>	<b>1.04</b>
Your meta beer preference is determined by its price.	<b>3.85</b>	<b>1.13</b>
Meta beer products prices are reasonable.	<b>3.96</b>	<b>1.12</b>
Meta beer offers seasonal and flexible prices strategy.	<b>3.95</b>	<b>1.09</b>
Meta beer products prices are fair when compared with its quality.	<b>3.67</b>	<b>1.26</b>
Meta beer products prices are fair when compared with other brands beer.	<b>3.80</b>	<b>1.18</b>
<b>Average</b>	<b>3.89</b>	

**Source: Questionnaire, 2017**

The second most agreement of the respondents goes to the item ‘Meta beer products price are reasonable’ (Mean=3.96, SD=1.12). ). The result suggested that the specified prices of Meta beer products are fair. The statement ‘Meta beer offers seasonal and flexible price strategy’ (Mean=3.95, SD=1.09) had got the third highest Mean ranking followed by the statement ‘Your Meta beer preference is determined by its price’ (Mean=3.85, SD=1.13).

The item ‘Meta beer products prices are fair when compared with other brands beer’ (Mean=3.80, SD=1.18) had ranked fifth means from Pricing dimensions and the statement ‘Meta beer products prices are fair when compared with its quality’ had got the least Mean score (Mean=3.67, SD=1.26).

Obviously, from the result observed on table 4.2 one can deduce that the mean values in respect to all pricing dimensions or items showed an agreed result. Keeping other things being constant, the result indicated that pricing is useful factors in influencing the brand preference of Meta beer. The finding of the study is consistent with Janine (2011) who found that price is an important element of the marketing mix.

### **4.3.2. Packaging**

Concerning the packaging dimensions or items, respondents were asked to be rated based on the five point likert scale ranging from 5-strongly agreed to 1-strongly disagreed.

**Table 4.3: Packaging**

<b>Item</b>	<b>Mean</b>	<b>SD</b>
I believe that the package of Meta beer is easy to use.	3.96	1.14
I can assure that the package of Meta beer is attractive.	3.85	1.09
I like the aesthetics of Meta beer packaging.	3.81	1.12
The curve and lines of Meta beer packaging makes it appealing to me.	3.83	1.08
I believe that the package of Meta beer is adequate.	3.94	1.15
<b>Average</b>	<b>3.88</b>	

**Source: Questionnaire, 2017**

As depicted in table 4.3 the statement ‘I believe that the package of Meta beer is easy to use’ (Mean=3.96, SD=1.14) had gained the highest mean scores. The second highest mean scores goes to the statement ‘I believe that the package of Meta beer is adequate’ (Mean=3.94, SD=1.15). The findings indicated that packaging is an important element in positively influencing the brand preference of Meta beer.

From the packaging dimensions or items the statement ‘I can assure that the package of Meta beer is attractive’ (Mean=3.85, SD=1.09) had got the third highest mean scores. Concomitantly, the statement ‘The curve and lines of Meta beer packaging makes it appealing to me’ (Mean=3.83, SD=1.08) had gained the fourth highest mean score. Finally, the statement ‘I like the aesthetics of Meta beer packaging’ (Mean=3.81, SD=1.12) had ranked the least mean scores.

Generally, the results of the mean values showed that the respondents thinking on packaging items falls under the range of 3.81 to 3.96 with overall average score of 3.88 (77.6%). Thus, the respondents agreed that packaging has splendid impact in positively influencing the brand preference of Meta beer. The study finding was consistent with Hysen and Mensur (2008) found that packaging has a great positive effect on the purchase of dairy products.

### **4.3.3. Promotion**

The higher the mean score, the very high the agreement is, the result on table 4.4 revealed that there was a strongest agreement by the respondents with the statements ‘I trust on the message given by the advertisement for Meta Beer’ and ‘. The statement gained the highest mean score of



4.08 and standard deviation value of 1.12. The result suggested that the message given by the advertisement for Meta beer is trusted by its consumer's which resulted in a positive influence in shaping its preference towards Meta beer. The finding of the study suggested a consistent results with Vivekananthan (2010) studied "Influence of advertisement in consumer brand preference with reference to soft drinks". The research was conducted by taking three variables, namely Information, communication, and comprehension. Findings of this research revealed that the variable information has high influence in advertisement on consumers' brand preference. This has the mean value of 3.62 and standard deviation of 0.39. Here the variable information is measured by three dimensions: attractiveness, attention, and awareness. These three dimensions account for about 56 percent of respondents that are highly influenced by information in advertisement. The next variable is communication, the influence of communication in advertisement indicates the high influence in consumers brand preference mean value 3.73 with standard deviation of 0.52. From 200 respondents 66 percent expressed their high influence, 28 percent expressed their moderate influence and 6 percent expressed their low influence in brand preference. Message, source and media considered as main dimensions of communication to measure the influence of advertisement in consumer brand preference of soft drinks. The final variable is comprehension. The comprehension in advertisement indicates the high influence in the brand preference of consumer. mean value 3.67, standard deviation 0.52. From 200 respondents 63 percent expressed their high influence, 33 percent expressed the moderate influence and 4 percent expressed low influence in consumer brand preference. It is measured through the three dimensions: recall, link, and attitude. Recall had 71% of high influence in comprehension with the mean value of 3.83. Link indicated 49% modern influence and attitude showed 73% of high influence. Although the three variables showed high influence in overall view, the researcher wanted to consider indicators which have low and moderate influence in their future developments to maintain its position in the market in the long run.

**Table 4.4: Promotion**

<b>Item</b>	<b>Mean</b>	<b>SD</b>
The prize linked (Home furniture and Discount) sales strategies of Meta beer is attractive for me.	3.98	1.11
I believe that the personal effort of sales-people of Diageo Meta beer is convincing to me.	3.82	1.14
I observed that Meta beer participates in community development activities and public affairs compared to other brands.	3.82	1.10
My decision to purchase Meta Beer is influenced by advertisement.	3.80	1.11
The message on advertisement attempts to persuade me to buy Meta Beer.	3.88	1.12
I trust on the message given by the advertisement for Meta Beer.	4.08	1.12
<b>Average</b>	<b>3.89</b>	

**Source: Questionnaire, 2017**

As also revealed in table 4.4, the second highest score (Mean=3.98, SD=1.11) had gone to the statement ‘the prize linked (Home furniture and Discount) sales strategies of Meta beer is attractive for me’. ‘The message on advertisement attempts to persuade me to buy Meta beer’ had ranked the third highest mean score (Mean=3.88, SD=1.12) and the statement ‘my decision to purchase Meta beer is influenced by advertisement’ had ranked the fourth highest mean score (Mean=3.80, SD=1.11). On the other hand, the statements ‘I believe that the personal effort of sales-people of Diageo Meta beer is convincing to me’ and ‘I observed that Meta beer participates in community development activities and public affairs compared to other brands’ had got the least mean scores values of 3.82 and Standard deviations of 1.14 and 1.10 respectively.

Since the overall mean score values on promotions dimensions are 3.89 (77.8%) which suggested that promotion has splendid impact in positively influencing the brand preference of Meta beer.

#### **4.3.4. Perceived Quality**

Perceived quality is the customer’s perception to the overall quality of a product or service and their behavioral sense of accepting it. As revealed in table 4.5, respondents were showed the

strongest support to the statement `I feel that Meta beer products seem to have adequate ingredient` (Mean=4.01, Standard Deviation= 1.07). The result suggested that Meta beer have adequate ingredients which are perceived by its clients.

**Table 4.5: Perceived Quality**

<b>Item</b>	<b>Mean</b>	<b>SD</b>
I believe that Meta Beer products seem to be good in quality.	4.00	1.08
I feel that Meta beer products seem to have adequate ingredient.	4.01	1.07
I can assure that Meta Beer products taste good.	3.98	1.13
I can assure that Meta Beer products are fresher than other brand Beer.	3.62	1.22
<b>Average</b>	<b>3.90</b>	

**Source: Questionnaire, 2017**

As also revealed in table 4.5, the second most agreement of the respondents gone to the statement `I believe that Meta beer products seem to be good in quality` (Mean=4.00, Standard Deviation=1.08). On the other hand, from Perceived quality dimensions or items in table 4.5, the statement `I can assure that Meta beer products taste good` had got the third highest ranking (Mean= 3.98, SD=1.13) followed by the statement `I can assure that Meta Beer products are fresher than other brand Beer` (Mean=3.62, SD=1.22).The study finding was consistent with Zhang (2014) concluded that perceived quality have significant influence on brand preference in terms of smart phones in Thailand.

#### **4.3.5. Product Availability**

Regarding the product availability dimensions or items respondents were asked to rate for 5 items on the five point likert scale ranging from 5 strongly agree to 1 strongly disagree.

**Table 4.6: Product Availability**

<b>Item</b>	<b>Mean</b>	<b>SD</b>
I think the availability of Meta Beer is sufficient.	4.00	1.02
I believe that the availability of Meta beer is high when compared to other brand beers.	3.87	1.12
Meta Beer Makes special distribution to retail houses during holidays.	3.98	1.14
I think the store of Meta Beer is easily accessible and convenient.	3.74	1.16
I am reliable by Meta Beer production capacity.	3.96	0.99
<b>Average</b>	<b>3.91</b>	

**Source: Questionnaire, 2017**

As depicted in table 4.6, the statement `I think the availability of Meta Beer is sufficient` had got the highest mean score (Mean=4.00, SD=1.02). The statement `Meta beer makes special distribution to retail houses during holidays` had got the second highest mean score value of 3.98 and its standard deviations value of 1.14. The statements `I am reliable by Meta beer production capacity` and `I believe that the availability of Meta beer is high when compared to other brand beers` had got the third and fourth highest mean scores values of (Mean=3.96, SD=0.99) and (Mean=3.87, SD=1.12) respectively. Furthermore, the statement `I think the store of Meta Beer is easily accessible and convenient` had got the least mean score (Mean=3.74, Standard Deviation= 1.16).

To sum, the results of the mean values in table 4.6 showed that the respondents reflection on product availability dimensions or items falls under the range of 3.74 to 4.00 with overall average score of 3.91 (78.2%). The result suggested that the product availability of Meta beer is good.

The results from the standard deviations in table 4.6 showed that there was a broader range of responses to the statements: I think the store of Meta Beer is easily accessible and convenient, Meta Beer Makes special distribution to retail houses during holidays, I believe that the availability of Meta beer is high when compared to other brand beers and I think the availability of Meta Beer is sufficient.

### 4.3.6. Competitive Environment

Diageo Meta beer has its overarching priority to invest in Ethiopian beer industry to increase its market share and profitability. Thus, to measure competitive environment, six parameters were forwarded to the respondents to rate for each of the items and their feedbacks presented as follows.

The results on table 4.7 revealed that the statement ‘I can assure that the number of competitors of Meta beer is high’ had gained the highest mean score (Mean=4.40, SD=0.78). The second highest mean score goes to the statement ‘I believe that there is a substantial competition among beer companies in Ethiopia’ (Mean=4.36, SD=0.76). The statement ‘I believe that the competitors of Meta beer are strong’ (Mean=4.31, SD=0.91) had gained the third highest mean score.

**Table 4.7: Competitive Environment**

Item	Mean	SD
I believe that the competitors of Meta beer are strong.	4.31	0.91
I believe that the price of Meta beer is competitive.	4.17	0.95
I believe that due to the high price of competitors Meta beer is highly preferable in the market.	3.84	1.16
The discount, holiday and incentive package of other beer brands are more attractive than Meta beer.	4.22	0.86
I believe that there is a substantial competition among beer companies in Ethiopia.	4.36	0.76
I can assure that the number of competitors of Meta beer is high.	4.40	0.78
<b>Average</b>	<b>4.21</b>	

**Source: Questionnaire, 2017**

The statements ‘the discount, holiday and incentive package of other brands are more attractive than Meta beer’ and ‘I believe that the price of Meta beer is competitive’ had gained the fourth and fifth highest mean scores of 4.22 and 4.17 and its standard deviations of 0.86 and 0.95 respectively. Finally, as also revealed in table 4.7 the statement ‘I believe that due to the high price of competitors Meta beer is highly preferable in the market’ had got the least mean score (Mean=3.84, SD=1.16).

Generally, it is observed that respondents have an agreed expression on the issues related to competitive environment indicators with the overall average mean score value of 4.21 (84.2%). By and large, it is clearly understood that competitive environment have a grand impact in influencing the brand preference of Meta beer.

The results from the standard deviations in table 4.7 also indicated that there was a broader range of responses to the statement: I believe that due to the high price of competitors Meta beer is highly preferable in the market.

#### **4.4. Interview Results**

To supplement the results of the quantitative approach the researcher also employ qualitative approach through in depth interview. Furthermore, the study was used qualitative data type in order to address the specific objective of to examine the major challenges encountered for the decline of the market share of Meta beer in Ethiopia beer industry. In doing so, data is obtained from employees through semi-structured interview. As a result 6 experts and managers with 5 years and above experiences were selected from Diageo Meta beer company and requested their views towards the major challenges encountered for the decline of the market share of Meta beer. As per the interview results, the major challenges mentioned by the interviewees for the Decline of Diageo Meta beer share in Ethiopia were lack of effective marketing strategies, lack of innovation that attracts young generation, unfair competition, lack of talent retention, aggressive competitors action, unfair competition and poor product quality.

Since distribution is one of the major factors that affect its market share interviewees were requested their view on the distribution of Diageo Meta beer in Addis Ababa. The result suggested that Meta beer distribution is low in Addis Ababa mainly due to less penetration in key outlets of Addis Ababa, weak distribution channel, bad attitude of the distributors and product shortage. The finding of the study is consistent with Broadbridge and Morgan (2007) found that most consumers have the desire to feel confident with the product in terms of reliability and performance before they purchase the product. Finally, the interviewees suggested the following possible options in order to increase the market share of Meta beer:

- Diageo Meta Beer Company should introduce a new innovation that attracts young generations.
- The company expandsfoot print of well-known brands like Guinness beer.
- The company should establish strong marketing strategy.
- The company should invest more for Public relationship.
- The company should improve the quality of its beer product.

## CHAPTER FIVE

### SUMMARY OF MAJOR FINDINGS, CONCLUSIONS AND RECCOMENDATIONS

This chapter presents the summary of major findings, conclusions and recommendations sections of the study.

#### 5.1. Summary of Major Findings

The major findings of the study are summarized as follows:

- The overall mean value of pricing items showed an agreed result. The result indicated that pricing is important factors in influencing the brand preference of Meta beer.
- The respondents agreed that packaging has splendid impact in positively influencing the brand preference of Meta beer
- The respondents agreed that promotion has splendid impact on influencing the brand preference of Meta beer.
- The descriptive results of the study also revealed that the customer's perception to the overall quality of a product and their behavioral sense of accepting Meta beer scored showed and agreed result.
- The results of the mean value on product availability dimensions showed an agreed results. The result suggested that the product availability of Meta beer is good.
- The descriptive statistics results also indicated that the respondents have an agreed expression on the issues related to competitive environment indicators.
- The interview result revealed that Meta beer distribution is low in Addis Ababa mainly due to less penetration in key outlets of Addis Ababa, weak distribution channel, bad attitude of the distributors and product shortage.



## 5.2. Conclusions

The study made a systematic effort on analyzing consumer brand preference towards Meta beer in Ethiopia by analyzing the factors that influence brand choice of the customers and addressed the preliminary issues relating to selection of a brand, in so doing the study was adopted quantitative and qualitative research approach. Quantitative approach is one in which the investigator primarily uses postpositive claims for developing knowledge, that is, it employs strategies of inquiry such as experiments and surveys, and collect data on predetermined instruments that yield statistics data. On the other hand, the researcher used qualitative research approach mainly to identify the major challenges encountered for the decline of the market share of Meta beer in Ethiopia beer industry in general and in Addis Ababa in particular. An organization's brand image can be as important as the goods or services it produces. Customer brand preference is a powerful asset for a given company. Developing a choice able corporate brand is important because a positive brand image will give consumers, and other interested stakeholders, confidence about the full range of products and activities associated with a particular company. This leads to the firms to create a larger customer base, being competitive and there by harvest the greatest profit margin in the prevailing market. The result indicated that pricing is important factor in influencing the brand preference of Meta beer. The results also suggested that packaging and promotion has splendid impact in positively influencing the brand preference of Meta beer with overall mean values of 3.88 (77.6%) and 3.89(77.8%) respectively. In addition, the results of the study suggested that the customer's perception to the overall quality of a product and their behavioral sense of accepting Meta beer scored a mean value of 3.90(78%). Furthermore, the in depth interview result revealed that Meta beer distribution is low in Addis Ababa mainly due to less penetration in key outlets of Addis Ababa, weak distribution channel, bad attitude of the distributors and product shortage. Finally, the result suggested that Diageo Meta beer should invest in promotional activities such as Public relation, sales promotion, holidays incentive package , advertisement and participating in community development activities.

### 5.3. Recommendations

Based on the findings of the study, the following recommendations were forwarded:

- Pricing is a crucial strategic variable due to its direct relationship with the company's goals and its interaction with the brand preference of Meta beer. Furthermore, pricing enables companies to segment markets, define products, create incentives for consumers and even send signals to competitors. Hence, Diageo Meta beer company should review the pricing strategies of their company periodically and continuously with the competitors market price to improve its consumer brand preference towards Meta beer.
- Since packaging positively influence the brand preference of beer products, Diageo Meta beer should continuously improve its packaging to handel its beer products without damaging the quality of the contents and to promote the beer products through packaging.
- Since promotional activities are vital in shaphing the consumer behavior towards specific products and in turn in boosting its market share Diageo Meta beer should invest in promotional activities such as Puplic relation, sales promotion, holidays incentive package , advertisement and participating in community development activities.
- Perceived quality is the core relationship between quality and value that comes as a\n implication of improve service element associate with it and the value paid for the goods. Inorder to stay competitive in Ethiopian beer industry, Diageo Meta beer should improve its products' quality continuously.
- Since the study findings revealed that product availability is positively influence the brand preference of Meta beer, Diageo Meta beer should increase its production capacity and should improve its distribution in Addis Ababa.
- Inorder to attract young generations Diageo Meta beer should introduce new innovations that attract young generation's consumers and formulate seizable marketing strategies.

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### **Internet source**

<https://www.ft.com>

<https://study.com>

[www.businessdictionary.com](http://www.businessdictionary.com)



**St. Mary's University**

**School of Graduate Studies**

### **Questionnaires**

**Dear Respondents,**

I am a student of St Mary's University. In partial fulfillment of the award of Masters of Business Administration I am conducting a thesis on the determinants of brand preference for Meta beer. Therefore, your response is very crucial for the fulfillment of my study, I greatly appreciate your contribution and I can assure that your response is confidential and only will be used for academic purpose. If you are interested to send the result of the questionnaires and to give any comment or suggestion you may also use the following address:-

**Phone number: 0929930239**

**Email address: tizazuephrem@yahoo.com**

**Sincerely yours,**

**Thank you for your co-operation in advance.**

**Section One: Demographics**

1. Sex: Male

Female

**2. Age Group**

19-25

33-39

Above 47

26-32

46

**3. Educational Level**

12 completed

Certificate

M.A./M.S.C

Diploma

Degree

PHD

Other Specify please-----

**Section Two:** Read each of the following questions and please mark your answers with a cross (X) according to the scale correspond:

Pricing	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
1. Meta beer products are sold at the same prices with other beer.					
2. Your meta beer preference is determined by its price.					
3. Meta beer products prices are reasonable.					
4. Diageo Meta offers seasonal and flexible prices strategy.					
5. Meta beer products prices are fair when compared with its quality.					

6. Meta beer products prices are fair when compared with other brands beer.					
<b>Packaging</b>	<b>Strongly Agree</b>	<b>Agree</b>	<b>Neutral</b>	<b>Disagree</b>	<b>Strongly Disagree</b>
1. I believe that the package of Meta beer is easy to use.					
2. I can assure that the package of Meta beer is attractive.					
3. I like the aesthetics of Meta beer packaging.					
4. The curves and lines of Meta beer packaging makes it appealing to me.					
5. I believe that the package of Meta beer is adequate.					

<b>Promotion</b>	<b>Strongly Agree</b>	<b>Agree</b>	<b>Neutral</b>	<b>Disagree</b>	<b>Strongly Disagree</b>
1. The prize linked (Home furniture and Discount) strategies of Meta beer is attractive for me.					
2. I believe that the personal effort of sales-people of Diageo Meta beer is convincing to me.					
3. I observed that Diageo Meta beer participates in community development activities and public affairs compared to other brands.					
4. My decision to purchase Meta Beer is influenced by advertisement.					

5. The message on advertisement attempts to persuade me to buy Meta Beer.					
6. I trust on the message given by the advertisement for Meta Beer					

<b>Perceived Quality</b>	<b>Strongly Agree</b>	<b>Agree</b>	<b>Neutral</b>	<b>Disagree</b>	<b>Strongly Disagree</b>
1. I believe that Meta Beer products seem to be good in quality.					
2. I feel that Meta beer products seem have adequate ingredients.					
3. I can assure that Meta Beer products taste good.					
4. I can assure that Meta Beer products are fresher than other brand Beer.					

<b>Product Availability</b>	<b>Strongly Agree</b>	<b>Agree</b>	<b>Neutral</b>	<b>Disagree</b>	<b>Strongly Disagree</b>
1. I think the availability of Meta Beer is sufficient.					
2. I believe that the availability of Meta beer is high when compared to other brand beers.					
3. Diageo Meta Beer Makes special distribution to retail houses during holidays.					
4. I think the store of Meta Beer is easily accessible and convenient.					

5. I am reliable by Diageo Meta Beer production capacity.					
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<b>Competitive Environment</b>	<b>Strongly Agree</b>	<b>Agree</b>	<b>Neutral</b>	<b>Disagree</b>	<b>Strongly Disagree</b>
1. I believe that the competitors of Meta beer are strong.					
2. I believe that the price of Meta beer is competitive.					
3. I believe that due to the high price of competitors Meta beer is highly preferable in the market.					
4. The discount, holiday and incentive package of other beer brands are more attractive than Meta beer.					
5. I believe that there is a substantial competition among beer companies in Ethiopia.					
6. I can assure that the number of competitors of Meta beer is high.					

**Instrument for In-depth Interview**

1. Summary of the respondent profile

a. Level of education \_\_\_\_\_

b. Experience \_\_\_\_\_

c. Current position \_\_\_\_\_

2. What are the major challenges encountered to the fall of Diageo Meta's market share in Ethiopia beer industry in general and in Addis Ababa in particular?

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

3. Your views on the most important challenges to fall the Diageo Meta's market share in Ethiopia beer industry?

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

4. Your opinions on the brand preference of Diageo Meta beer in Ethiopia Beer industry?

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

5. How do you see the distribution of Diageo Meta Beer in Addis Ababa?

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

6. What are the major challenges face during the distribution of Diageo Meta beer products in Addis Ababa?

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7. What possible solution (s) would you recommend(s) to increase the market share of Diageo Meta Beer in Ethiopia beer industry in general and in Addis Ababa in particular in the future?

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**Thanks for giving your time!**



## Appendix-II: Reliability Statistics

Item Source	Number of Items	Items Description	Cronbach's Alpha
Pricing	6	<ul style="list-style-type: none"> <li>❖ Meta beer products are sold at the same prices with other beer.</li> <li>❖ Your meta beer preference is determined by its price.</li> <li>❖ Meta beer products prices are reasonable.</li> <li>❖ Meta beer offers seasonal and flexible prices strategy.</li> <li>❖ Meta beer products prices are fair when compared with its quality.</li> <li>❖ Meta beer products prices are fair when compared with other brands beer.</li> </ul>	0.87
Packaging	5	<ul style="list-style-type: none"> <li>❖ I believe that the package of Meta beer is easy to use.</li> <li>❖ I can assure that the package of Meta beer is attractive.</li> <li>❖ I like the aesthetics of Meta beer packaging.</li> <li>❖ The curve and lines of Meta beer packaging makes it appealing to me.</li> <li>❖ I believe that the package of Meta beer is adequate.</li> </ul>	0.86
Promotion	6	<ul style="list-style-type: none"> <li>❖ The prize linked sales strategies of Meta beer is attractive for me.</li> <li>❖ I believe that the personal effort of sales-people of Diageo Meta beer is convincing to me.</li> <li>❖ I observed that Diageo Meta beer participates in community development activities and public affairs compared to other brands.</li> <li>❖ My decision to purchase Meta Beer is influenced by advertisement.</li> <li>❖ The message on advertisement attempts to persuade me to buy Meta Beer.</li> <li>❖ I trust on the message given by the advertisement for Meta Beer.</li> </ul>	0.87
Perceived Quality	4	<ul style="list-style-type: none"> <li>❖ I believe that Meta Beer products seem to be good in quality.</li> <li>❖ I feel that Meta beer products seem have adequate ingredient.</li> <li>❖ I can assure that Meta Beer products taste good.</li> </ul>	0.86

		❖ I can assure that Meta Beer products are fresher than other brand Beer.	
Product availability	5	<ul style="list-style-type: none"> <li>❖ I think the availability of Meta Beer is sufficient.</li> <li>❖ I believe that the availability of Meta beer is high when compared to other brand beers.</li> <li>❖ Meta Beer Makes special distribution to retail houses during holidays.</li> <li>❖ I think the store of Meta Beer is easily accessible and convenient.</li> <li>❖ I am reliable by Meta Beer production capacity.</li> </ul>	0.85
Competitive Environment	6	<ul style="list-style-type: none"> <li>❖ I believe that the competitors of Meta beer are strong.</li> <li>❖ I believe that the price of Meta beer is competitive.</li> <li>❖ I believe that due to the high price of competitors Meta beer is highly preferable in the market.</li> <li>❖ The discount, holiday and incentive package of other beer brands are more attractive than Meta beer.</li> <li>❖ I believe that there is a substantial competition among beer companies in Ethiopia.</li> <li>❖ I can assure that the number of competitors of Meta beer is high.</li> </ul>	0.75
<b>Overall Items</b>	<b>32</b>		<b>0.93</b>